

1 **DRAFT**

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

5 WALLINGFORD, CT

6 TUESDAY, June 19, 2018

7 6:30 p.m.

8 **MINUTES**

TOWN OF
WALLINGFORD

JUN 26 2018

DEPARTMENT OF
PUBLIC UTILITIES

9
10 **PRESENT:** Chairman Robert Beaumont; Commissioner Joel Rinebold; Director Richard
11 Hendershot; Electric Division General Manager Tony Buccheri; Office Manager Tom Sullivan;
12 Water and Sewer Divisions General Manager Neil Amwake; Business Manager William Phelan;
13 Recording Secretary Cynthia Kleist; Public: Steve Gale; Dennis Setzko and Ken Bradstreet, both
14 of AECOM.

15 Chair Beaumont called the Meeting to order at 6:30 p.m. and the Pledge of Allegiance was
16 recited.

17 1. Pledge of Allegiance

18 **2. Consent Agenda**

19 a. Consider and approve the Minutes of June 5, 2018

20 **Mr. Rinebold made a motion to approve the consent item. Mr. Beaumont seconded**
21 **the motion.**

22 **Vote: 2 ayes**

23 **3. Items removed from Consent Agenda – None**

24 4. Discussion and Action: Approval of the Director's Report for the Month of May 2018.

25 **Mr. Rinebold made a motion to approve the Director's Report for the Month of May**
26 **2018. Mr. Beaumont seconded the motion.**

27 **DIRECTOR'S OFFICE/DEPARTMENT – WIDE**

28 Mr. Hendershot noted the pilot Transmission Cost Reduction Program between the Electric
29 Division and the Water Division has begun and looks forward to this going well. He said that
30 during the month of May, the Electric Division and his office to a lesser extent, spent significant

1 time dealing with the May 15, 2018 storm. He said the PUC has been kept apprised of this
2 situation.

3 **ELECTRIC DIVISION**

4 Mr. Hendershot noted that system input in May increased 1.8% from May 2017 and demand
5 was down 7.5% from one year ago. Mr. Hendershot said the Average System Availability Index
6 computed out at nearly five 9's, and the routine calculation of the indices excluded the May 15
7 storm. He said when the storm is included, the numbers degrade significantly. Mr. Hendershot
8 noted service reliability numbers are usually used for day-to-day performance. He said during
9 the month of May there were 15 LED streetlight conversions and two street light repairs. He
10 noted numerous HPS streetlights that were damaged on May 15 will be replaced in early June.

11 Lendlease Solar-PV Interconnection

12 Mr. Hendershot said the Facility Study Agreement has been executed and the study assigned.
13 He said ISO-NE has everything they need for the transmission-level System Impact Study and
14 WED has provided information to our Consultant for the distribution-level SIS as of the end of
15 May. He said the Division continues to coordinate with the Law Department to complete the
16 Interconnection Agreement, including the monthly distribution system O&M charge.

17 PERSONNEL

18 Mr. Hendershot noted that as of the end of May, the Division had received the candidates list
19 for maintenance electricians. He said the interviews have been held. He said regarding the
20 Apprentice Lineman vacancy, there were 70 applications received; screening exams have taken
21 place and 10 candidates identified. Interviews will take place in late June.

22 April Wholesale Power Supply

23 Mr. Hendershot reported that in April, 87% of the WED's total energy was hedged vs. a
24 forecasted hedging level for March of 90.5%. He said May saw more energy purchases than
25 expected. He said the all-in wholesale purchased power price costs per MWh: April actual =
26 \$90.75; 2017-2018 FY budget forecast (1/1/17) for April = \$98.85; prevailing six-month
27 average PCA forecast (1/1/18-6/30/18) = \$99.10. Mr. Hendershot noted that the average cost
28 for hedged volume = \$46.97 and the correct average cost for total volume is \$47.66. He said
29 this number is in Craig Kieny's report but not in Energy New England's hedging report card. Mr.
30 Hendershot said the Division has learned that ENE every month includes in that number, any
31 adjustment or resettlements that have occurred during the month. He noted there was a
32 significant 90-day settlement which hit the books in April. He said this had to do with when LS
33 Power was first bringing units on line. Mr. Hendershot said the Division knew it would be made
34 whole but there was an analysis error on ENE's part. He pointed out ENE was correct

1 accounting wise, but not correct cost analysis wise. Mr. Hendershot said this was corrected
2 going forward and from now on this will just be based on the raw numbers for the month.

3 On the bottom of page 4-5, item #1 of Mr. Kieny's report, Chairman Beaumont spoke about
4 CMEEC's charge for its handling of the WED's NYPA power, pointing out the portion of this
5 charge associated with NYPA in April was \$546.15, 2.5 times more than the charges that
6 appeared for April in the May invoice. Chair Beaumont noted this was a lot higher than it had
7 been. Mr. Hendershot said he requested this be removed because it was a minor amount and
8 said he didn't know what the \$546.15 referred to. He said since the beginning of the year, WED
9 has been charged 25 cents a megawatt hour by CMEEC.

10 **WATER DIVISION**

11 Mr. Hendershot reported that water production was down approximately 3 ½% from May of
12 last year. He noted that effective impoundment at the reservoirs at the end of May was nearly
13 94%; just a bit over the historical average at the end of May of 93%; precipitation for the
14 month was below the historical average at 2.73 inches, which is 32.8% below the historical
15 average. Precipitation for the year is at 21.38 inches; slightly above the historic average for the
16 first five months of the year. Mr. Amwake said he didn't like the precipitation data noting that
17 January was even and then we had two months of much less than average participation and
18 two months of much higher participation. He said for the year we look average and put a lot of
19 water over the MacKenzie Reservoir in two months that we didn't have to.

20 Pond Hill Emergency Interconnection Station

21 Mr. Hendershot said the foundation is finished and all backfill is in place; electrical and
22 communications conduits and the transformer pad are installed. Mr. Hendershot said the
23 building is completed and on the pad.

24 Water Main Replacements

25 Mr. Hendershot said the bids have been received on Contract 35 and will be analyzed during
26 the month of June; the dam inspection Contract was signed on May 21 and the field inspections
27 will be accomplished by June 6. Mr. Amwake said the draft dam inspection reports are in hand
28 as of this date and the goal is to submit the dam inspection reports to DEEP by July. Mr.
29 Hendershot noted the status of the Meterman II and Maintainer I positions.

30 **WASTEWATER DIVISION**

31 Mr. Hendershot noted the average daily flow during May was 5.73 MGD, a 14% decrease from
32 May 2017; nitrogen discharge for the month averaged 467 pounds per day; well under the May
33 2017 discharge rate of 607 pounds per day, but over the permit level of 269 pounds per day.
34 The average phosphorus discharge for May 2018 was 0.52 mg/L, compared to 0.60 mg/L in

1 May 2017. The current permit limit is 0.70 mg/L; collection staff televised over 13,000 linear
2 feet of sewer main, and flushed 9,400 feet.

3 WWTP Facility Plan/Phosphorus Treatment Project

4 Mr. Hendershot noted that staff will provide an up-to-the-minute update of the status of this
5 effort at tonight's meeting. (June 19, 2018).

6 Private Side/I/I Mitigation Process

7 Mr. Hendershot provided up-to-date numbers on the Private Side/I/I Mitigation program.

8 Chairman Beaumont asked about the annual water main flushing on page 4-102, middle of the
9 page, noting "four fire hydrants were damaged during flushing operations". Mr. Amwake said
10 they were not necessarily damaged, but were marginal and when water was moved through the
11 hydrants at a higher velocity, they become damaged. Chairman Beaumont asked about the
12 location of the Wildlife Pump Station. Mr. Hendershot said the pump station was located on
13 Wildlife Drive at the back of the Twin Oak Farms development.

14 **Vote: 2 ayes.**

15 **PUBLIC QUESTION & ANSWER PERIOD – 7:55 p.m.**

16 Mr. Gale asked what the electric rates for residential will change to on July 1. Mr. Hendershot
17 said the rates will change and are published. Mr. Sullivan provided this information to Mr. Gale
18 at the June 19, 2018 PUC Meeting. Mr. Gale asked if the WED owns all the poles in town. Mr.
19 Hendershot said WED has jurisdiction over approximately 60% of the poles in its service
20 territory and Frontier has jurisdiction over approximately 40% of the poles in WED's service
21 territory. He noted that any pole that both WED and Frontier attach to, that pole is by definition
22 jointly owned.

23 Mr. Gale asked if Frontier owned the pole did WED pay them a fee and vice-versa. Mr.
24 Hendershot said no fees are paid either way. He said there is an agreement in place on how to
25 handle billing of the other party if the other party requires that a pole be changed. He said that
26 during the storm, Frontier replaced their poles and WED replaced its poles. Mr. Hendershot
27 noted that third-party Agreements are another thing, i.e., WED has pole attachment
28 Agreements with third parties and Frontier has them with all of those and those parties have to
29 deal with WED and Frontier individually when the third parties attach to the poles. Mr.
30 Hendershot noted that WED has nearly doubled the revenue by recently updating its Pole
31 Attachment Agreement. He said the terms and conditions of such Agreements have also been
32 improved to the WED's benefit.

33 Mr. Gale asked about the PCA. Mr. Hendershot said at the July 3rd PUC meeting, Mr. Sullivan will
34 provide information about the Power Costs through May and estimated costs for June and

1 describe for the PUC what the PCA should be based on looking back and looking forward. He
2 said it will also be explained to the PUC the impact of setting the PCA at zero to shield
3 customers from the effects of increased capacity charges.

4 **PUBLIC QUESTION & ANSWER PERIOD ENDED AT 7:59 p.m.**

5 **ELECTRIC**

6 5. Discussion and Action: Remove from Table – Electric Division Policy E-2 Wallingford
7 Electric Division commercial and Industrial Customer Energy Conservation Incentive
8 Policy.

9 **Mr. Rinebold made a motion to remove this item from the table. Mr. Beaumont**
10 **seconded the motion.**

11 **Vote: 2 ayes.**

12 6. Discussion and Action: Approve Electric Division Policy E-2, Wallingford Electric Division
13 Commercial and Industrial Customer Energy Conservation Incentive Policy.

14 Mr. Hendershot explained this Policy contains the same new language essentially in three
15 different places. He said if one looks at Lighting Fixture and Control Replacement/Retrofits
16 on page 6-4 of the policy it states "then the proposed project is approved subject to the
17 review and approval by the WED Energy Efficiency and Conservation Specialist ("EECS")
18 that this proposed work is consistent with this WED policy criteria for energy conservation".
19 Mr. Hendershot said that words to this effect just using this four-letter acronym are
20 repeated in the other two sections.

21 **Mr. Rinebold made a motion to approve the updated E-2 Policy. Mr. Beaumont**
22 **seconded the motion.**

23 **Vote: 2 ayes**

24 7. Discussion: Purchased Power Update

25 Mr. Hendershot called attention to pages 2, 3 and 4 of Craig Kieny's slide deck from the recent
26 ERMOC meeting. He said page 2 noted that through the end of June, it shows WED is within
27 the policy guidelines for the amount of energy we have hedged; WED is over the minimum and
28 under the maximum. He noted there is room to make some purchases for 2020 and 2021 and a
29 lot of room in 2022 but nothing that has to be purchased. Mr. Hendershot said when moving
30 into the third quarter, in 2022 WED is required to make a purchase sometime in the third
31 quarter of at least 5% of 2022's energy. Mr. Hendershot said in Q4 it is essentially the same
32 thing. He said there is more room in 2020 and 2021 above where WED is hedged below the
33 maximum.

1 Mr. Hendershot noted that prior to the ERMOC meeting, he had discussions with Energy New
2 England and Energy Initiatives, Inc., and it was decided that ENE is soliciting prices from
3 counterparties for 10% of WED's energy in 2022 in blocks and in load-following and both
4 delivered to the Mass Hub and in Connecticut, and will see what numbers look the best. Mr.
5 Hendershot noted page 6 which he said shows what counterparty restraints do to the hedging
6 policy limit of no more than 35% of energy in any given year hedged with one counter party.
7 He said five total entities are listed, with one being NYPA. He said only four entities bidding and
8 with whom WED has been doing business since beginning. Mr. Hendershot noted that in
9 different years, in 2020 and 2021, one counterparty is maxed out in each year so there are only
10 three counterparties WED will be dealing with in 2020 and 2021. Mr. Hendershot said WED is
11 possibly close to adding one or more counterparties. He said the thought was to see if this can
12 come to fruition in the near future and then WED will go out for more solicitations later in the
13 summer and look at 2020 and 2021. He emphasized that if WED doesn't get these other
14 counterparties, WED will be no worse off than they are now and there may be additional
15 counterparties and more proposals to consider. Mr. Rinebold asked how this was being done.
16 Mr. Hendershot said ENE handles this. Mr. Rinebold asked if ENE provided WED with formal
17 bids and does ENE provide WED with formal bids or informal pricing points.

18 Mr. Hendershot said WED will get formal indicative pricing from everyone who wants to
19 respond. He said ENE will look at this, consolidate it and contact him. Chairman Beaumont said
20 WED could end up getting new counterparties is based upon what ENE sees in the market, who
21 they are using, and who they see as being active in the market. Chairman Beaumont said five
22 to seven counterparties are what WED was hoping for from the beginning, but have not
23 managed to get past five counterparties. Mr. Rinebold asked about Oxford and Bridgeport
24 coming on line with two big natural gas base load facilities and if prices would be driven down.
25 He said it appears that the CT market is getting an ample supply of based-load generation. He
26 said he wasn't sure what the natural gas supply would be.

27 **DISCUSSION ONLY – NO ACTION TAKEN**

28 8. Discussion and Action: Budget Appropriation – A/C 364 –Distribution Plant – Poles,
29 Towers and Fixtures

30 **Mr. Rinebold made a motion to approve the transfer of \$44,000 to Account 364**
31 **Distribution Plant – Poles, Towers, and Fixtures. Mr. Beaumont seconded the**
32 **motion.**

33 Mr. Hendershot noted that these proposed budget amendments are here because they are
34 amendments; the size of the budget is being increased and why this item was placed onto the
35 agenda and not made a Consent Agenda Item.

36 In his June 14, 2018 memo, Mr. Sullivan said the Division is seeking to appropriate an
37 additional \$44,000 to Account 364 Distribution Plant – Poles, Towers, and Fixtures. He said this

1 activity in this account has proceeded at a pace that has been higher than originally expected.
2 This activity includes the replacement poles necessitated by the damage caused during the May
3 15 storm as well as on-going routine pole replacements. In order to allow for the proper year-
4 end accrual of wages, overhead, use of inventory and expected contractor invoices, the Division
5 is requesting these funds be appropriated from retained earnings. Mr. Sullivan said that while
6 the Division would normally seek to transfer the needed funds from a related distribution
7 account (Overhead Lines Expense), any previously available funds in that account were also
8 used due to the May storm.

9 **Vote: 2 ayes**

10 9. Discussion and Action: Budget Appropriation – A/C 365 – Distribution Plant – Overhead
11 Conductors.

12 **Mr. Rinebold made a motion to approve an additional \$14,000 to Account 365**
13 **Distribution Plant – Overhead Conductors. Mr. Beaumont seconded the motion.**

14 In his June 14, 2018 memo, Mr. Sullivan explained the Division was seeking to appropriate
15 an additional \$14,000 to Account 365 – Distribution Plant – Overhead Conductors. He said
16 the activity in this account has proceeded at a pace that has been higher than originally
17 expected. This activity includes work necessitated by the damage caused during the May 15
18 storm as well as on-going routine work performed in recent weeks and planned for the
19 balance of the year.

20 **Vote: 2 ayes**

21 10. Review of Electric Division Disbursements for the Month of May 2018.

22 **DISCUSSION ONLY – NO ACTION TAKEN**

23 Chairman Beaumont asked about Yale Electric East. Mr. Hendershot said he believed Yale
24 Electric was located in East Haven. He said they are one of WED's four primary distributors.
25 Chairman Beaumont asked about inventory, tools and supplies -CT. Power and Sport – 18 inch
26 chains. Mr. Sullivan said he believed this was for replacement chains. Mr. Rinebold asked about
27 the short definition of telephone release bid. Mr. Sullivan said this report is printed off a
28 particular field and a purchase order. He said these are descriptions. Chairman Beaumont asked
29 about Energy New England's Contract on page 10-2. He asked if their contract was up as of
30 12/31. Mr. Hendershot affirmed this. Chairman Beaumont said he believed there was a renewal
31 option. Mr. Hendershot said it was for three years. He said he hopes to handle this business
32 before mid-September.

33 Mr. Rinebold asked about tree/brush removal on the bottom of page 3. He asked if this was
34 normal work or storm related. Mr. Rinebold asked about environmental consulting and if this

1 was lab work. Mr. Sullivan said this was a spill response Contractor. Mr. Hendershot said he
2 didn't believe this was storm related, noting this vendor is slow to invoice.

3 **WATER/SEWER**

4 11. Review of Water/Sewer Division Disbursements for the Month of May 2018

5 **NO ACTION TAKEN – DISCUSSION ONLY**

6 Mr. Rinebold had a question on batteries on page 11-19, "Hatch Company". Mr. Amwake said
7 these were for sewer flow meters.

8 12. Discussion: First Look at the Full Wastewater Treatment Plant Facility Plan – AECOM

9 Appearing for AECOM was Dennis Setzko, P.E., Project Manager and Ken Bradstreet, P.E.,
10 Design Engineer. Mr. Amwake said essentially this is a dry run for what will be presented at the
11 June 26 Public Workshop. Mr. Amwake said a design agreement was signed with AECOM on
12 May 29, 2018. He said the last month was spent working on providing peer review comments to
13 the draft Facility Plan. He said everyone participated in the peer review process, and that all the
14 comments will be compiled and transmitted to AECOM in the morning. He said there was also a
15 meeting with the Bureau of Purchases regarding the RFP process. He said a phosphorus
16 treatment vendor has to be selected and that equipment then gets plugged into the larger
17 design plan. Mr. Amwake said they are still on track for later this month, early July, to submit
18 the full Facility Plan to DEEP which will be concurrent with a briefing with DEEP staff. Mr.
19 Rinebold asked about the deadline for the submittal to DEEP. Mr. Amwake said there isn't
20 necessarily a deadline; the full Facility Plan is submitted and this is when the full approval is
21 granted. Mr. Amwake said the fast-track report was already submitted, and endorsement was
22 received, but not full approval. He said DEEP will not approve our phosphorus approach until
23 they officially approve the full Facility Plan.

24 Mr. Setzko noted the RFP is moving forward at this time. He pointed out he is doing 18 months'
25 worth of design in a seven-month period. Mr. Amwake noted there is a full workshop on June
26 26 at 6:30 in Town Hall, Room 315. He said this is an evolving item. He said phasing for the
27 next 15 years was looked at but starts with today's plan.

28 Mr. Setzko went over the phosphorous project that was presented to the PUC on March 15. He
29 said this phase of the project went to DEEP on March 1, but noted there was also another
30 project that was beyond this, not just the phosphorous but what also is needed at the plant.
31 Mr. Setzko showed an aerial photo of the plant. He said this plant will be added to as part of
32 the phosphorus and other projects and there will be a description and graphics.

33 Mr. Setzko went over the history and overview of the project. He said the Facility Plant goal is
34 to determine what upgrades are needed to achieve present and future wastewater treatment
35 discharge requirements; evaluate adequacy of existing plant processes, equipment and

1 structures and make recommendations for improvements; ensure the sewage disposal and
2 growth needs of the Town are met for present and future flows and pollutant loadings for a 20
3 year planning period. He said this would be a two-phase approach: Phase 1 – Fast Track –
4 Phosphorous removal and related equipment; Phase 2 – Assessment of remaining plant
5 processes and Nitrogen removal improvements.

6 Mr. Setzko noted the current plant was constructed in 1988 with a few minor upgrades since
7 that time. He went over Phase 1 – Phosphorus Treatment Evaluation which includes fine
8 screening. He said a process was selected and DEEP agreed with the evaluation. He said a
9 secondary pumping station, gravity thickener improvements and an anaerobic tank with mixers
10 are just some of the items needed to upgrade including relocation of the UV and Post Aeration
11 system as part of the project to replace aging equipment and address current flooding issues.
12 He said there would also be miscellaneous piping and site modifications.

13 Mr. Setzko went over the schedule, noting Dec. 15, 2017 is the deadline to retain a consultant
14 to prepare the study, design and oversight necessary to achieve phosphorus limits set in the
15 NPDES permit. He said there would be no problem meeting this deadline. Mr. Setzko said the
16 Engineering Report will be submitted by Oct. 31, 2018. He said July 1, 2019 was the deadline to
17 enter into a construction contract to be eligible for the 50% project grant for phosphorus
18 removal costs (design and construction); April 1, 2020, (no later than), was the deadline to
19 being construction of the phosphorus removal project and April 1, 2022 the deadline to
20 complete the phosphorus treatment construction project such that the treatment process is fully
21 operational and effluent meets new phosphorus effluent requirements. He said the tertiary
22 phosphorus treatment will actually be fired-up in March 2022.

23 Mr. Setzko spoke about Phase 2. He said all treatment plant processes and structures are being
24 reviewed. He said solids handling was looked at and a process model was done to evaluate
25 improvements to nitrogen and biological phosphorus removal; building evaluation was looked at
26 as well as HVAC and lighting systems. He said the conclusions is that the solids handling system
27 is at the end of its useful life. He said the anaerobic digestion as currently practiced is not cost
28 effective and will be eliminated during a Phase 2 project. Mr. Setzko said sludge storage is
29 needed so two digester tanks for storage will be reused and new covers will be provided. He
30 noted the proposed sludge dewatering system can run 24/7. He went over building and
31 electrical upgrades, noting the solids handling complex will receive a complete makeover.

32 Mr. Setzko emphasized that Phase 2 is down the road. He said computer modeling was done
33 and showed additional nitrogen and better biological phosphorus removal occurs if the primary
34 tanks are bypassed at specific times. He said fine screens have been added to the Phase 1
35 project to capture fine solids that will affect RBC operation were added. He said the project was
36 morphed based on what the modeling showed. He said there will be an extension to the
37 Administration Building to add more laboratory space which he pointed out currently, is

1 extremely crowded. He noted the lab is the size of two bedrooms and houses three people, with
2 equipment everywhere and is used by both Sewer and Water Divisions.

3 Mr. Setzko said the electrical distribution systems are in need of replacement. He said there is
4 also some concrete damage from water intrusion, which is seen at a plant from 1988 and also
5 some mechanism replacement and miscellaneous site improvements: storm drainage and
6 repaving. Mr. Setzko went over the graphic that outlined the Phase 2 work. He said the entire
7 complex will be rehabbed from the inside. He noted the digester tanks which will be reused and
8 inside the building, a lot of equipment will be replaced. He said electrical work will be done
9 throughout the plant. Mr. Hendershot said the primary tanks are being bypassed and asked
10 about their function. Mr. Setzko said the primary tanks can't ever ultimately be taken off-line,
11 because once the flows get high; they have to come back on-line. He outlined how the flow
12 process will take place.

13 Mrs. Setzko went over Phase 2 WWTP improvements – proposed schedule and packages noting
14 that some portions will likely be completed as part of another project. For 2023-2025 there will
15 be solids handling improvements and for 2024-2026 there will be plant wide electrical, SCADA,
16 and instrumentation systems. He said these are the most critical areas that will be done. Mr.
17 Bradstreet spoke about the solids handling, which he said will improve the phosphorous and
18 nitrogen treatment. Mr. Setzko said some portions of the electrical upgrade work will likely be
19 completed as part of another project. He said the electrical will probably be done at the same
20 time as the solids handling, along with SCADA will come along with it as well as
21 instrumentation. He noted that for 2027-2029 there will be building upgrades, office, labs,
22 personnel building; upgrade of plant lighting, fire alarm, communications and security system;
23 upgrade of plant HVAC systems. For 2031-2033 there will be a replacement of the aging
24 mechanical equipment and systems.

25 Mr. Setzko discussed Phase 1 cost estimates. He said there were adjustments from the prior
26 presentation on March 15, 2018. He said further details provided revised costs for a building
27 over the UV; RAS pumps – six pumps to eight pumps; gravity thickener – more robust and
28 additional civil and yard piping. He said a refinement was done of the cost estimate which
29 includes the fine screens and added a project contingency. Mr. Setzko said in addition to some
30 of the cost estimates, he is looking at providing a contingency as a cushion to include project
31 unknowns. He said there are potentially hazardous materials underground and prices have been
32 put in for this, but said there are still unknowns.

33 Mr. Setzko said there are multiple projects being bid at the same time and not a lot of
34 contractors. Mr. Setzko said the cost estimator sees current wage and material inflation
35 happening over the next few months to a year, and a requirement to purchase steel from U.S.
36 sources and the project contingency to address the lack of float in the schedule. Mr. Setzko said
37 there are a lot of trip wires along the way. He said he is so backed up against the wall they
38 have to bid the project and then execute the contract. He said there is no time to change

1 something in the project and no time to re-bid. He said he doesn't want to miss the 50% grant
2 funding and suggested adding a project contingency.

3 He said all of these issues are captured so when the project comes in from bid, there is the
4 ability to execute the project. He went over the Project I estimated costs. He said there have
5 been adjustments to the RAS pumps, the UV system, and the gravity thickener mechanism
6 which will be more robust. He said there will also be additional site and yard piping. He noted
7 the fine screens which weren't in the earlier project are now in the project. Mr. Setzko said
8 there were some adjustments, with the addition of the fine screens, the project before was at
9 \$39,039,000 is now at \$42,694,000. Mr. Setzko noted the fine screens are eligible for the 50%
10 grant. He said project contingency was added at 10% of total at a cost of \$5,069,000 which
11 would take care of construction, inflation and unknown projects. The total estimated cost Phase
12 1 was previously at \$47,039,000 and would now be estimated at (for Phase 1) at \$55,763,000.

13 Mr. Setzko said the site footprint isn't being increased but Planning & Zoning may see it
14 differently. Mr. Bradstreet said that as the project goes along, the numbers get refined. Mr.
15 Rinebold pointed out that every single item on here has gone up from the previous estimate
16 and would like to see some of these prices go down. He said he is good with refinement and
17 good with the contingency but if this is the ratchet to drive everything up, he would not be in
18 favor of this and noted this is the way this is looking.

19 Mr. Hendershot said he something he would like to see addressed by next week is what has
20 changed that we need nearly \$2.5 million of a new thing (fine screens) to get us to the same
21 phosphorus numbers. He asked what we were getting for the \$2.4 million. He noted this was
22 5% of the total phosphorus project, and is a middle of the road line item, and is a big thing to
23 add when we thought we were making all of the phosphorus numbers without it. Mr.
24 Hendershot asked why it was better to have this (the fine screens).

25 Mr. Setzko said the fine screens will be needed at some point in time because the current ones
26 need to be replaced. He said this also gives the advantage of operating a system that can
27 remove more nitrogen and more Bio-P and reduce chemicals. He said by including this in the
28 project, there is a 50% grant that goes with it. He said it is do it now or do it later. Mr. Amwake
29 noted the modeling was not complete when the March 15, 2018 presentation to the PUC was
30 made. He said this was one of the items that came out of the modeling. He noted that at some
31 future time when this is put in, the \$2.4 million for the recommended fine screens will hit the
32 rate payers fully. Mr. Rinebold said he was trying to figure out from the site plan, where the fine
33 screens would be located. Mr. Amwake said it would be located at the head works. He asked if
34 this was the right place for the fine screening. Mr. Setzko said this was the correct place.

35 Mr. Amwake said currently there are one-inch screens. He noted there is also a fixed-film
36 process and RBC's and anything that fits in between the one-inch screen could potentially end
37 up in the RBC's and other processes. He said one would want to get this out of the wastewater

1 treatment process so six millimeter screens are being looked into being installed. He said a
2 biological, chemical and physical process is being run.

3 Mr. Hendershot pointed out this was a substantial change. Mr. Rinebold asked about the fine
4 screens. Mr. Amwake said they are parallel at a slant to the incoming flow with a mechanical
5 arm. Mr. Setzko said the material gets ground up and washed. Mr. Bradstreet said the screens
6 are washed and compacted. Mr. Setzko said it is definitely the trend is to go to all fine
7 screening up ahead. Mr. Rinebold said it makes sense to keep materials out of the process and
8 this doesn't turn into a maintenance liability. Mr. Setzko said that going fine screening upfront
9 will protect the systems down screen. Mr. Rinebold asked about repairing the RBC's. Mr.
10 Amwake said there is one broken shaft. Mr. Rinebold asked that comments be made about the
11 fine screening that it is new upfront and a reason for it, to keep materials out of the system. He
12 asked that it be noted that the RBC's will be used and estimate the cost. Mr. Amwake pointed
13 out that most of this equipment was installed in 1987 and the plant has run with no capital
14 investment for 30 years. Mr. Hendershot said we are working hard to keep the RBC's. Mr.
15 Bradstreet said that \$60 million is being saved by not having to tear down the RBC's and install
16 a new activated sludge process. Mr. Setzko said the RBC's nitrify and get rid of the carbon. He
17 said this is the secondary process. Mr. Bradstreet said the RBC's were inspected and the
18 inspector was amazed the condition they were in after 30 years.

19 Mr. Rinebold said there will be pushback from the public on the cost and reasons for this. He
20 said it is important to document that we reused as much equipment as possible in a prudent
21 fashion. He said he would like to see the estimate that by reusing this we will be saving a lot of
22 money. He said he would try to put this in the Tuesday presentation.

23 Mr. Rinebold asked about the new solids and how this operated and why there was a need of
24 an upgrade. Mr. Bradstreet said there are three digesters now and the covers are not in good
25 condition. Mr. Amwake said there has been 30 years of continuous operation and although the
26 plant has been maintained well, there is new technology. Mr. Rinebold said for the Tuesday
27 Public Workshop, there should be a quick explanation on what is being proposed.

28 **Committee Reports/Correspondence – None**

29 **Adjournment**

30 Mr. Rinebold made a motion to adjourn the Meeting at 8:38 p.m. Mr. Beaumont seconded the
31 motion which passed unanimously.

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33 Respectfully submitted,

Respectfully submitted,

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1 Cynthia A. Kleist
2 Recording Secretary

Joel Rinebold
Secretary

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