

1 **DRAFT**

2 PUBLIC UTILITIES COMMISSION  
3 WALLINGFORD ELECTRIC DIVISION

4 100 JOHN STREET  
5 WALLINGFORD, CT

6 TUESDAY, NOVEMBER 6, 2018

7 6:30 P.M.

8 **MINUTES**

TOWN OF  
WALLINGFORD  
NOV 13 2018  
DEPARTMENT OF  
PUBLIC UTILITIES

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

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

16 **1. Pledge of Allegiance**

17 **2. CONSENT AGENDA**

- 18 a. Consider and approve Minutes of October 16, 2018  
19 b. Consider and approve Minutes of October 24, 2018

20 **Motion** to approve consent items.

21 Made by: Mr. Birney

22 Seconded by: Mr. Rinebold

23 Vote: 3 ayes

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

25 **4. Discussion and Possible Action: Electric Division – Resolution – Peter Tokarz**

1 **ELECTRIC**

2 **RESOLUTION**

3 **WHEREAS**, the Board of Public Utilities Commissioners or the Town of Wallingford wishes to  
4 congratulate

5 **PETER TOKARZ**  
6 **(a.k.a. Pete, "Petie")**

7 after over eight years of service with the Town of Wallingford Electric Division; and

8 **WHEREAS**, the Commissioners do hereby express their gratitude and appreciation to Mr.  
9 Tokarz for his continued efforts over the years on behalf of the Wallingford Electric Division;  
10 and

11 **WHEREAS**, it was the Division's good fortune that Pete was hired as a Distribution Engineer  
12 from "the company up the street"; and

13 **WHEREAS**, Mr. Tokarz has knowledge of our distribution system that will truly be missed; and

14 **WHEREAS**, Mr. Tokarz single handedly generates enough work orders to keep the linemen  
15 busy; and

16 **WHEREAS**, be it a micro-burst, a snow storm, a hurricane, or a macro-burst, he has assisted  
17 the Division during them all; and

18 **WHEREAS**, Mr. Tokarz is looking forward to starting the next chapter of his life in Florida; no  
19 more snow to shovel or leaves to rake; and

20 **NOW THEREFORE BE IT RESOLVED** that the Public Utilities Commission hereby wishes Peter  
21 good health and safe travel as he and Pam make their way south.

22 Unanimously adopted by: THE PUBLIC UTILITIES COMMISSION  
23 Robert N. Beaumont, Chair  
24 Patrick M. Birney, Vice-Chair  
25 Joel M. Rinebold, Secretary

26 Mr. Buccheri said Mr. Tokarz will be leaving in December of this year. He noted that Mr. Tokarz  
27 came to WED from CL&P (now Eversource) approximately eight years ago and brought a wealth  
28 of knowledge that will be sorely missed.

1 **Mr. Birney made a motion to approve the Tokarz Resolution. Mr. Rinebold seconded**  
2 **the motion.**

3 **Vote: 3 ayes**

4 5. Discussion and Possible Action: Budget Appropriation – Account 909 – Conservation  
5 Expense

6 Mr. Hendershot noted his memorandum dated Nov. 1, 2018 and Mr. Sullivan’s memo dated Oct.  
7 31, 2018. He explained that as happens most every year. At present there are unexpended  
8 funds totaling \$277,689.04 in conservation and load management that are in Account #909 as  
9 of June 30, 2018 at the end of the prior fiscal year. Mr. Hendershot explained in his memo that  
10 this action would place into the WED’s current fiscal year budget all usable energy conservation  
11 funds, thus making them available for commercial/industrial energy conservation project  
12 incentive payments, residential energy conservation programs, and related expenses to be  
13 undertaken in FY18-19. He noted that performing this budget amendment now would ensure  
14 that maximum energy efficiency and conservation funding is available for the remainder of the  
15 current fiscal year and would eliminate any need for any hasty, last-minute budget amendment  
16 for a justifiable energy conservation expense later in the fiscal year.

17 Mr. Hendershot referenced a new five-figure commercial/industrial project which will likely take  
18 place before the end of the fiscal year that WED was not aware of a few weeks ago. He noted  
19 HES is fully funded.

20 **Mr. Birney made a motion to approve the budget appropriation for reasons stated in**  
21 **the November 1, 2018, memo from Mr. Hendershot along with the attachment from**  
22 **the General Manager and reasons stated on the record. Mr. Rinebold seconded the**  
23 **motion.**

24 **Vote: 3 ayes.**

25 **WATER/SEWER**

26 6. Discussion and Possible Action: Budget Transfer – Account 43100408 – Taxes Other  
27 Than Income Taxes.

28 Mr. Phelan explained that based on his October 30, 2018 memo, the Town of Guilford initially  
29 submitted a revaluation to the Town of Wallingford that was in error. He said subsequently, the  
30 Town of Guilford’s revaluation company determined what the error was, and followed up with a  
31 revised revaluation to the Town of Wallingford. Mr. Phelan said this took place during the  
32 budget process and the current budget represents estimated tax amounts based on the  
33 erroneous evaluation. He noted the new revaluation has put the property tax liability over and  
34 above the budget number, and therefore a budget transfer is being requested.

1 In Mr. Phelan's Oct. 30, 2018 memo, he explained that subsequent to the PUC approval on  
2 March 20, 2018 of the Water Division's 2018-2019 FY budget, dissemination of the Water  
3 Division budget by the Mayor on April 2, 2018 and the Town Council budget presentation on  
4 April 12, 2018, the Town of Guilford Assessor's office made a clerical error regarding the Oct. 1,  
5 2017 Grand List value/assessment of farmland owned by the Division in Guilford. He noted the  
6 State increased the rates used to calculate land assessments for farmland from \$225 to \$460  
7 per acre and the revaluation company hired by Guilford did not update these new rates in their  
8 computer system. He noted in his memo that based on the error, the Town of Wallingford's  
9 2017 total property assessment for land owned in Guilford increased from \$28,820 to \$58,930  
10 and the tax liability increased from \$901.49 to \$1,843.34. This Assessment Change Notice was  
11 received by the Water Division on April 26, 2018 after the Water Division budget had been  
12 approved by the PUC, endorsed by the Mayor and presented to the Town Council. He said the  
13 Division is requesting a budget transfer increasing Account #43100408, Taxes, Other Than  
14 Income Taxes, in the amount of \$700 together with a corresponding decrease to Account  
15 #43100926, Employee Pension & Benefits. He noted in his memo that funds are available for  
16 this transfer because of vacant positions in the Division and the associated health insurance  
17 premium savings.

18 Mr. Rinebold asked why the money was coming out of Employee Pension & Benefits. Mr. Phelan  
19 explained that when a transfer is made, the Division tries to look where funds are available. He  
20 said because of the current position vacancies in this account, this is where the money is  
21 available. He said currently, he is estimating a surplus in health benefit premiums/employees.  
22 Mr. Birney asked if April 24, 2018 was the date of notification. Mr. Phelan said he believed he  
23 received notification on April 26, 2018 which was subsequent to PUC and Mayoral approval of  
24 the budget. Mr. Birney asked why the PUC was hearing about this now versus April or May  
25 2018. Mr. Phelan pointed out that once the budget was approved, he believed it was easier to  
26 let the budget go through as presented and return to the PUC for the request. There were  
27 sufficient funds to pay the July 1, 2018 Town of Guilford property tax bill (50% of the tax  
28 liability), though additional funds were needed to pay the second half of the tax bill on January  
29 1, 2019. Thus, Water Division staff waited to confirm that additional funds were needed for this  
30 expense before requesting a transfer in November so that the tax liability bill could be paid on  
31 time in January, 2019.

32 **Mr. Birney made a motion to approve the budget transfer increasing Account**  
33 **#43100408, Taxes Other Than Income Taxes, in the amount of \$700 together with a**  
34 **corresponding decrease to Account #43100926, Employee Pension & Benefits for**  
35 **the reasons stated from Mr. Phelan's Oct. 30, 2018 as well as supporting**  
36 **documentation and reasons stated on the record. Mr. Rinebold seconded the**  
37 **motion.**

38 **Vote: 3 ayes.**

1       7. Update on Waste Water Treatment Plant Post-Flood Clean-Up

2       Mr. Amwake reported on where the Sewer Division stood following the precipitation event  
3 almost five weeks ago. He noted Mayor Dickinson signed off on the emergency purchases,  
4 pointing out that both purchases were sole source items which were being sought, and was  
5 allowed per the Town Charter. He said this has been taken care of.

6       Mr. Amwake told the PUC that on Friday, November 2, the Town's Insurance Inspector came to  
7 the WWTP to determine if there is a claim after the \$10,000 deductible is paid. Mr. Rinebold  
8 asked why this would be ineligible. Mr. Amwake explained they are above both the 100- and  
9 500-year flood zone for where this occurred at the headworks. Mr. Amwake noted because this  
10 is a unique situation, it was decided through the Town's Insurance Carrier to send an Inspector.  
11 Mr. Amwake also noted a Purchase Order has been issued for the Aerzon high capacity blowers.  
12 He said a factory representative has to come in and expertly inspect them.

13       Mr. Amwake spoke about a transfer item on the agenda for \$24,000 for a high pressure plant  
14 water system control panel, because there wasn't \$24,000 available in the current budget. Mr.  
15 Amwake told the PUC the headworks and the screens did not suffer any lasting damage. He  
16 said the sound insulation has been removed from the blower building and will not be re-  
17 installed. He pointed out the new blowers are quieter, specifically the Aerzon blowers though he  
18 expects to replace the soundproofing to these individual blowers. Mr. Amwake said this will be a  
19 final determination by the Aerzon factory representative.

20       Mr. Amwake reported the sump pump control panels for the secondary pump chambers have  
21 been repaired by Sewer Division staff. He said the control for the automatic plant water  
22 strainers were also repaired by Sewer Division staff. He explained these are strainers for the  
23 effluent plant water that is used to rinse various tanks and there is strainers on them because  
24 of occasional algae in the effluent. Mr. Amwake said all secondary pumps are now operational;  
25 staff replaced two of the six motors by utilizing operating funds.

26       Mr. Amwake said moving forward, staff has done work in house and where we haven't, the  
27 manufacturer's representatives have been brought in. Mr. Rinebold complimented Mr. Amwake  
28 and his staff. Chair Beaumont commended the staff and asked Mr. Amwake to pass on the  
29 commendation to the staff from the PUC.

30       Chair Beaumont entertained a motion to waive Article 1, Section 1, to add a FY 2018-2019  
31 Budget Amendment – Sewer Division, Account #46100651 – Maintenance of Structures &  
32 Improvements and Account #46100652 - Maintenance of Treatment Equipment, to the  
33 agenda.

34       **7A. Mr. Birney made a motion to add a new agenda item related to the 2018-2019**  
35 **Budget Amendment – Sewer Division in accordance with Article 1, Section 1. Mr.**  
36 **Rinebold seconded the motion.**

1 **Vote: 3 ayes**

2 7B. Budget Amendment – Sewer Division, Account #46100651 – Maintenance of Structures &  
3 Improvements and Account #46100652 - Maintenance of Treatment Equipment, to the  
4 agenda.

5 In his November 5, 2018 memo, Mr. Phelan explained that on Sept. 25, 2018, a significant  
6 rainfall event occurred which caused flooding at the Wastewater Treatment Plant. He noted in  
7 his memo that based on the initial work to restore the plant to normal operations, a budget  
8 amendment is necessary increasing Account #46100651 (Maintenance of Structures &  
9 Improvements) and #46100652 (Maintenance of Treatment Equipment) in the amount of  
10 \$24,000 and \$4,000 respectively.

11 Mr. Phelan's memo noted that in order to fund this amendment, he was proposing utilizing  
12 \$28,000 of the Sewer Division's Emergency Maintenance Reserve, which has a current balance  
13 of \$916,743.10 and was specifically established for this type of expenditure. In addition, once  
14 final costs of the damages caused by the precipitation event have been determined, Mr. Phelan  
15 noted an additional budget amendment may be requested at that time.

16 Mr. Birney asked Mr. Phelan about the \$916,743.10 Sewer Division's Emergency Maintenance  
17 Reserve, specifically over what time period this money has been accruing. Mr. Phelan said the  
18 connection charges in the Sewer Division were initiated many years ago and were initiated in  
19 the Water Division in 2007. He said the reserve has been ongoing before his employment with  
20 the Division. Mr. Phelan said the Division has drawn on this particular funds a number of times  
21 during his career in excess of half a million dollars which he noted was also the balance in the  
22 reserve as of June 30, 2018. He said this balance will increase every year because additional  
23 connection charges are generated from new customers that connect to the system.

24 Mr. Birney wondered if there isn't insurance for this, would the bulk of the costs related from  
25 this emergency come from the Emergency Maintenance Reserve or from Retained Earnings. Mr.  
26 Phelan said this particular reserve is a piece of Retained Earnings and is a lock box. He said this  
27 particular fund is dedicated for emergency basis repairs for the Sewer and Water Divisions  
28 each. Mr. Phelan spoke about the financial statements which he said gives an idea of the  
29 impacts on net income; the impacts on draws from cash or the draws from the reserve. He  
30 pointed out the operating expenses increased by \$28,000 hence net income net loss increases  
31 by \$28,000. Mr. Phelan said the emergency maintenance reserve is being used to fund the  
32 \$28,000 and there is no additional draw or appropriation to cash. He said the approved budget  
33 represents an appropriation to cash of \$330,000 which will remain unaffected.

34 **Mr. Birney made a motion to approve the appropriation of funds based on Mr.**  
35 **Phelan's November 5, 2018 memorandum and supporting documents as well as**  
36 **reasons stated on the record. Mr. Rinebold seconded the motion.**

1 **Vote: 3 ayes.**

2 **PUC**

3 8. Discussion and Possible Action: PUC 2019 Meeting Schedule. Mr. Hendershot asked the  
4 PUC to consider moving the Nov. 5, 2019 meeting date off of Election Day. Mr. Amwake  
5 pointed out the PUC met on election night in 2016, 2017 and 2018.

6 **Mr. Birney made a motion to approve the PUC meeting schedule for 2019, including**  
7 **moving the original November 5, 2019 meeting date to November 6, 2019. Mr.**  
8 **Rinebold seconded the motion.**

9 **The PUC 2019 Meeting Schedule is as follows: January 8 & 22; February 5 & 19;**  
10 **March 5 & 19; April 2 & 16; May 7 & 21; June 4 & 18; July 2 & 16; August 6 & 20;**  
11 **September 3 & 17; October 1 & 15; November 6 & 19; December 3 & 17; January 7,**  
12 **2020 and January 21, 2020. All meetings begin at 6:30 p.m. at the Electric Division,**  
13 **100 John Street, Wallingford.**

14 **Vote: 3 ayes**

15 **PUBLIC QUESTION & ANSWER PERIOD – 6:56 p.m. – NO QUESTIONS. PUBLIC Q & A**  
16 **CLOSED AT 6:56 p.m.**

17 **Committee Reports & Correspondence.**

18 Mr. Hendershot distributed a letter from the Mayor of Tallahassee, Florida thanking the WED for  
19 their efforts before during and after Hurricane Michael. Mr. Hendershot said staff spent a little  
20 less than two weeks in Florida working on restoring power.

21 **ADJOURNMENT**

22 Mr. Birney made a motion to adjourn the Meeting at 7 p.m. Mr. Rinebold seconded the motion  
23 which passed unanimously.

24

25 Respectfully submitted,

Respectfully submitted,

26

27 Cynthia A. Kleist

Joel Rinebold

28 Recording Secretary

Secretary

29

30

