

1 **DRAFT**

2 PUBLIC UTILITIES COMMISSION
3 WALLINGFORD ELECTRIC DIVISION

4 100 JOHN STREET
5 WALLINGFORD, CT

TOWN OF
WALLINGFORD

NOV 26 2018

DEPARTMENT OF
PUBLIC UTILITIES

6 TUESDAY, NOVEMBER 20, 2018

7 6:30 P.M.

8 **MINUTES**

9
10 **PRESENT:** Chair Robert Beaumont; Commissioners Patrick Birney & Joel Rinebold; Director
11 Richard Hendershot; Electric Division General Manager Tony Buccheri; Office Manager Thomas
12 Sullivan; Water and Sewer Divisions General Manager Neil Amwake; Business 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 the Minutes of November 6, 2018

19 b. Consider and approve the Minutes of November 7, 2018

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

21 **4. Discussion and Action:** Approval of the Director's Report for the Month of October 2018.

22 **Mr. Birney made a motion to approve the Director's Report for the Month of October**
23 **2018. Mr. Rinebold seconded the motion.**

24 **Director's Office/Department-Wide**

25 Mr. Hendershot reported that the pilot Transmission Cost Reduction Program which began June
26 1, 2018 resulted in a credit of approximately \$2,329 on the Water Division's September electric
27 bills; On October 17, Mr. Hendershot said he participated in a pre-bid meeting with Mr. Buccheri
28 for the RFP to produce a multi-year plan for the use and possible reconfiguration of the WED's
29 office/HQ building at 100 John Street. He noted that he also provided testimony on Oct. 18 at
30 the final hearing date for the IBEW 457 Production Unit contract arbitration; on Oct. 22, he
31 provided support to the Assistant Director of Human Resources during the Town's appeal of an

1 unemployment compensation award; on October 30, he participated in a mediation session for
2 the UPSEU 424-16 Water Unit contract negotiation.

3 **ELECTRIC DIVISION**

4 LS Power/Wallingford Energy Plant Expansion Project

5 Mr. Hendershot reported the as-built drawings have been completed, and the final close-out
6 documents have been executed. He said this would be the last update on this item.

7 Office Building, Garage Bays, etc.

8 Mr. Hendershot said five bays within the old truck storage building have been fenced off and
9 secured for material storage. He said the Meter Dept. has made significant progress in thinning
10 out their existing materials and equipment. Mr. Hendershot said what was learned from this is
11 that it will make sense to use the five bays in the old building for large bulky items. He said
12 there is room across the street in the secured warehouse area for Electric Division metering.

13 Wallingford Renewable Energy-Solar PV Connection

14 Mr. Hendershot said during October, WED learned that LendLease would complete the
15 development of this project; their buyer had backed out of purchasing the project from
16 LendLease. He said on October 18, WED received full notice to proceed from LendLease, and
17 that same day WED issued an invoice to LendLease for the full estimated cost for facilities that
18 WED must construct and/or add to accommodate the project. Mr. Hendershot noted that a
19 check has been received for the full amount.

20 Broadview URD Replacement

21 Mr. Hendershot reported that trenching, conduit installation, new transformer pad placement
22 and initial restoration are essentially complete.

23 Services and Streetlights

24 Service work during October included 17 new services, 15 service changes and three retired
25 services; street light work included 185 LED street light conversions and 30 street light repairs.
26 Mr. Hendershot thanked the Wallingford Police Dept. for their efforts to patrol the Town for
27 failed street lights so that WED could accomplish this large number of repairs prior to
28 Halloween. He noted to date, 1,151 LED streetlights have been installed, with 3,484 HPS
29 streetlights remaining to be replaced.

30 Personnel

31 Mr. Hendershot said during October, interviews for the Account Clerk were conducted, and at
32 the end of the month a preferred candidate for the full-time position was identified and

1 provided with a conditional offer. He noted that there is a start date of December 3, 2018;
2 closing date for applications for the Distribution Superintendent position was November 6;
3 screening examinations for the pending Distribution Engineer vacancy took place on Nov. 2. He
4 said a conditional offer was subsequently provided to a preferred candidate.

5 Electric System Metrics

6 Mr. Hendershot said system input for October totaled 48,437 MWh, an increase of 7.1% from
7 October 2017; maximum system demand for October was 93.1 MW, an increase of 5% from
8 the October 2017 peak; average system availability index for October was computed at
9 99.996%.

10 September Wholesale Power Supply

11 Mr. Hendershot noted that in September, 88.8% of the WED's total energy was hedged which
12 was slightly below the forecasted hedging level for September of 89.3%; WED's all-in
13 purchased power cost per MWh: September actual = \$105.03; 2017/2018 FY budget forecast
14 (1/15/18) for September = \$107.70; prevailing six-month average PCA forecast (7/1/18-
15 12/31/18) = \$102.67

16 WED's generation cost

17 Mr. Hendershot said the hedged volume was \$46.41; average cost for total volume was \$47.96.
18 He said the reason the cost of the total volume was higher than hedged volume was that the
19 impact of incredibly high LMP's during just a few hours in September on Labor Day when the
20 WED was "short" resulted in the total cost of energy for the month to exceeding the hedged
21 cost.

22 Mr. Rinebold asked about LS Power and if WED had any interest in monitoring performance of
23 this plant going forward, noting this would be the last update. Mr. Hendershot said WED just
24 collects rent. Mr. Rinebold said he liked the transmission demand reduction program and
25 appreciated the information. Mr. Hendershot said he and Walter Syzmanski, WED Energy
26 Efficiency and Conservation Specialist have identified the municipal accounts which seem to be
27 good candidates for the next phase. He said by June 1, this information should be collected.
28 Mr. Rinebold asked about Ashlar Village and who owns the cable. Chair Beaumont said Ashlar
29 Village owns the cable. Mr. Rinebold said this will need to be followed-up on regarding the
30 progress of cable replacement. Mr. Buccheri said he met with Ashlar Village to discuss what
31 would be needed. He noted Ashlar Village acquired funds to complete the surveying and then to
32 file the easement documentation. Mr. Rinebold asked about the Power Cost Adjustment (PCA).
33 He said this needs to be thought about over the next coming months to cover this; we won't be
34 able to hold this (PCA) to zero based upon some of the shortfalls.

1 Mr. Hendershot said the Division won't know the total cash above minimum until we get there.
2 He noted the Division may fall a bit short. He noted the Division is allowed to be within 80% of
3 the number and are required to not go below 80%. He said years ago when this strategy was
4 adopted, WED knew it would be close and noted the PCA and the number has come out
5 shockingly close. Mr. Hendershot said we are in the worst year of capacity costs and pointed
6 out within the next six months, there could be an issue.

7 Mr. Birney asked for a summary/timeline, potential costs regarding the Special Permit for 51
8 John Street. Mr. Buccheri said this property has been on the Town's books as available for years
9 and was something the Division was trying to clean up. He said the Division went over
10 everything with Planning & Zoning regarding the landscaping, fence work, to stay within the
11 zoning criteria. He explained this application is to store low-use material and to extend the
12 stockroom yard into this land. Mr. Buccheri noted Special Permit approval is needed before
13 moving forward. He said the Division began cleaning up the property. Mr. Birney spoke about
14 the PCA letter and asked Mr. Sullivan for a summary of the letter and additional commentary of
15 where we are i.e. Bristol-Myers Squibb, (BMS).

16 Mr. Sullivan noted that Bristol-Myers Squibb is gone and the building is mostly shut down. He
17 said the Division has seen a decrease in consumption compared to levels when they were
18 operational, speculating the generator was not being used. He said demand levels had not
19 dropped significantly and the Division just finished off an 11 month ratchet on this contract. He
20 said this contract expires in December and will go back to Rate 5 and will become a summer
21 ratchet. Mr. Hendershot said there was more sales to, and revenue, from BMS than expected.

22 Regarding purchased power, Mr. Sullivan noted the costs have been tempered and are coming
23 in slightly under budgeted numbers but are increased over last year. Mr. Sullivan said spread
24 dollars are up; regarding expenses, numbers are running under in some categories. Mr. Sullivan
25 mentioned capital, noting it is early in the year; he said there is a lot encumbered in the
26 accounts. Mr. Sullivan spoke about the PCA, noting that once the November figures are
27 acquired, Purchased Power and sales numbers will be taken into account, and we will still have
28 to make a projection of the December numbers for the second PUC meeting in December or the
29 first PUC meeting in January.

30 Mr. Sullivan said the May storm affected the Division and there will be meetings with FEMA
31 coming up regarding filing a claim. He said some of the money will come back to the Division,
32 but emphasized this is a slow process. He noted there is not 100% reimbursement on
33 everything, but will be ready to speak about this later in December. Mr. Birney said he wasn't
34 surprised regarding how close the numbers were to the rates, noting a lot of thought and work
35 went into this. Chair Beaumont asked if there would be an adverse impact on billing for usage,
36 noting the first PUC meeting for 2019 would be on January 8. Mr. Hendershot said this would
37 be too late and Chair Beaumont then pointed out this would then have to be discussed in
38 December. Mr. Sullivan noted that the PCA projected for next July is zero.

1 **Water Division**

2 Mr. Hendershot noted that Water Division crews repaired three water main breaks; there were
3 no service leaks during October.

4 Pond Hill Emergency Interconnection Station

5 Mr. Hendershot reported start up and testing work was completed on Oct. 2; final landscaping
6 was also completed during October; the station is fully functional and ready for the WWD to use
7 in an emergency.

8 Water Main Replacements

9 Mr. Hendershot reported on Contract 35, noting that during October, the Contractor completed
10 the installation of new DIP water main along Ward Street; a total of 1,570 ft. of new pipe has
11 been installed; work permitting, work will now move to connecting side streets to the new
12 main; Water Division crews continued system-wide flushing through October, completing the
13 2018 flushing program during the first week of November.

14 Personnel

15 Mr. Hendershot said the Division's posting for an Operator II and an Operator I at the Pistapaug
16 Water Treatment Plant closed on October 16, and 23 respectively. The HR Department will now
17 schedule tests and provide candidate lists; Interviews for the Maintainer I – Distribution Crew
18 were scheduled for early November. Mr. Amwake noted the interviews have taken place and a
19 conditional offer was made.

20 Water Division Metrics

21 Mr. Hendershot said production for October was 101.9 million gallons, a decrease of 10.5%
22 from October 2017; water production for the first 10 months of 2018 is 4% below the same
23 period during 2017; reservoir storage at months end was at 85.4% of total effective
24 impoundment, which is above the historical average for October of 77.7%; precipitation for the
25 year is 47.4 inches, 6.7 inches above the historic average for the first 10 months of the year.

26 Chair Beaumont noted a 43% increase in effluent at the treatment plant, assuming there was
27 significantly more rain this October than last October. Mr. Amwake said this was correct, but
28 pointed out it is not necessarily precipitation, but groundwater levels as well. He noted Bristol-
29 Myers Squibb has dropped off. He said if one looks at the amount of rain in September, there
30 was a lot of rain and a lot of groundwater, so every time it rained in October, the ground
31 couldn't absorb it.

32

33

1 **Wastewater Division**

2 Mr. Hendershot noted that Sewer Division staff responded to and resolved a total of 13 WWTP
3 alarms and collection systems trouble calls during October; clean-up and repairs continued at
4 the WWTP in response to the September 25 blocked screens and resulted flooding.

5 **WWTP Facility Plan/Phosphorus Treatment Project**

6 Mr. Hendershot noted staff will be providing a real-time update at this meeting.

7 During October, the collection system televised 326 linear feet of sewer main and flushed
8 8,213.

9 **Personnel**

10 Mr. Hendershot reported the Division continues to work with Human Resources to address the
11 vacant Attendant position; interviews for the vacant Laboratory Technician position are
12 scheduled for November. Mr. Amwake noted one-half of the interviews have occurred and the
13 other one-half will occur after Thanksgiving.

14 **Wastewater Division Metrics**

15 Mr. Hendershot noted at the WWTP, the average daily flow during October was 5.9 MGD, a
16 43% increase from October 2017; nitrogen discharge for the month averaged 448 pounds per
17 day; this amount is well over the October 2017 discharge rate of 267 pounds per day, as well
18 as the permit level of 269 pounds per day; YTD average nitrogen discharge has been 492
19 pounds per day vs. 412 during 2017; for the month of October, the average phosphorus
20 discharge was 0.68 mg/L, compared to 0.67 mg/L in October 2017; the current permit level is
21 0.70 mg/L.

22 **Private Side I/I Mitigation Program**

23 Mr. Hendershot said during October, Division staff conducted 39 inspections, which identified
24 five connections and during the month, five issues were corrected; YTD I/I efforts have resulted
25 in 426 inspections, 42 connections identified and 37 issues corrected. Since inception, the I/I
26 program has conducted 1,223 inspections, identified 155 connections and corrected 91.

27 **Vote: 3 ayes**

28 **PUBLIC QUESTION & ANSWER PERIOD – 7:06 p.m.**

29 **NO QUESTIONS - PUBLIC Q & A ENDED AT 7:06 p.m.**

30

31

1 **ELECTRIC**

2 5. Review of Electric Division Disbursements for the Month of October 2018 – Discussion
3 Only.

4 On page 5-12, Chair Beaumont asked about LS REF of \$33,000. Mr. Sullivan said this is the
5 second check cut to them. He said the final bill was paid and the last payment is being
6 refunded.

7 **WATER/SEWER**

8 6. Review of Water/Sewer Disbursements for the Month of October 2018 – Discussion
9 Only.

10 Chair Beaumont asked on page 6-6 "Bristol Maintenance". Mr. Phelan explained this is the
11 SCADA system at the Pistapaug Water Treatment Plant. He said they maintain the equipment
12 and the programming at the WTP and this is the annual Agreement the Division has with Bristol
13 Maintenance. Mr. Amwake explained Bristol Maintenance used to be called Bristol Babcock. On
14 page 6-29, Chair Beaumont asked about bearing distributors, RBC drives for \$43,000. Mr.
15 Phelan this is for replacement of two RBC drives at approximately \$20,000 apiece. He noted
16 they provide no value other than continuing normal operations thus this is classified as an
17 operating expense rather than a capital expense.

18 7. Discussion and Action: Budget Amendment – Sewer- Treatment Plant Structures &
19 Improvements

20 In his November 5, 2018 memo, Mr. Phelan explained the 2018-2019 Sewer budget includes a
21 \$35,000 appropriation for boiler retubing. He noted in his memo that the low bid for the project
22 was submitted by Connecticut Boiler Repair & Manufacturing at a cost of \$40,150, \$5,500 more
23 than budgeted. Mr. Phelan noted in his memo that in order to proceed with the project, a
24 budget amendment will be required increasing Account #46300331 (Treatment Plant Structures
25 & Improvements) in the amount of \$5,500 with a corresponding decrease to Account
26 #46100924 (Property Insurance). Mr. Phelan noted funds are available for this amendment due
27 to favorable actual insurance premiums versus budget projections.

28 **Mr. Birney made a motion to approve the Budget Amendment for the reasons stated**
29 **in Mr. Phelan's November 5, 2018 memorandum and reasons stated on the record**
30 **tonight. Mr. Rinebold seconded the motion.**

31 **Vote: 3 ayes**

32

1 8. Discussion: Real-time update of Wastewater Treatment Plant Phosphorus Treatment
2 Project

3 Mr. Amwake distributed his November 20 report. He noted that with final (full) Facility Plan was
4 submitted to DEEP on November 2, 2018. He noted a draft (full) Facility Plan was submitted on
5 July 27, 2018, including table formatting, wordsmithing and punctuation errors; the project
6 scope and estimated costs remained as provided in the earlier draft (full) Facility Plan.

7 Mr. Amwake noted the final (full) Facility Plan was put aside by the AECOM design team as well
8 as the Sewer Division staff because of the focus on the phosphorus RFP. He noted the first few
9 items are a repeat of what was seen on Sept. 27. He said proposals were received from two
10 companies (Kruger and Evoqua) on Thursday, September 27, 2018. Mr. Amwake said 40% is a
11 qualitative basis and 60% is a cost basis. He said the 40% qualitative analysis was previously
12 completed with scores and ranking provided to Purchasing; and once they were turned in on
13 Oct. 9, the cost items were received from Purchasing which are held separately until the
14 qualitative analysis is done. Mr. Amwake explained that both capital construction costs and 20-
15 year life cycle operating costs were evaluated for both phosphorus treatment systems. He noted
16 there are two main components for the capital cost component: the treatment equipment itself,
17 which goes inside a building, and how big the building would be, i.e., walls, roofing, was looked
18 into. Mr. Amwake said the two systems take different sized buildings, so this was a custom cost
19 for each. He said these calculations were done by AECOM with a peer review completed by
20 WSD staff before submission to DEEP on November 6, 2018 for their review and approval. He
21 said he is waiting for DEEP to get back to him with the selected vendor noting the Town is still
22 in the bid process which has not been awarded.

23 Mr. Amwake spoke about the overall design which he noted continues to advance across
24 disciplines, including layout, mechanical, electrical, structural, treatment process, UV
25 disinfection, etc. He said the 50% value engineering session is the next big item on the design.
26 He noted that traditionally DEEP requires two value engineering sessions during the design
27 stage.

28 Mr. Amwake said Wallingford was basically given a waiver to have one value engineering
29 session because there was one so close as part of the Facility Plan process. He said because
30 there will be only one value engineering session, DEEP has stated this needs to be a five-day
31 value engineering session. Mr. Amwake said that per DEEP instructions and EPA guidance for
32 more complex projects, the VE team must fully investigate all avenues for cost savings and
33 operating efficiencies. He said the 50% value engineering session is scheduled for the week of
34 December 10, 2018.

35 Mr. Amwake spoke about local approvals noting a submission to the Wallingford Inland
36 Wetlands and Watercourses Commission was made on November 6, 2018; he and the AECOM
37 design team met with Erin O'Hare, Environmental Planner, on October 23 to review the project

1 scope and again this afternoon to answer follow-up questions prior to the December 2018
2 IWWC meeting. Mr. Birney asked about 50% value engineering. Mr. Amwake said this
3 represents the 50% design stage.

4 Mr. Amwake said a submission was made to the Wallingford Planning & Zoning Commission
5 (PZC) on November 9, 2018; he said the approach is to present the project scope at the
6 December 10, 2018 PZC meeting with subsequent action at the January 14, 2019 meeting. He
7 said there was a meeting with Robert Baltramaitis, Town Engineer on October 25 to review the
8 project scope, specifically storm water management, and have incorporated his verbal
9 comments. Mr. Amwake noted the WSD staff has successfully repaired the low-pressure plant
10 water system following the precipitation event on Sept. 25, 2018.

11 End of Discussion

12 **Committee Reports/Correspondence**

13 Mr. Hendershot said he has begun interfacing with Craig Kieny, Energy Initiatives, and Tim
14 Herbert of Energy New England in preparation for the Dec. 7, 2018 ERMOC meeting. He asked
15 the Commissioners to submit questions or topics by next week.

16 **ADJOURNMENT**

17 Mr. Birney made a motion to adjourn the Meeting at 7:30 p.m. Mr. Rinebold seconded the
18 motion which passed unanimously.

19

20 Respectfully submitted,

Respectfully submitted,

21

22 Cynthia A. Kleist

Joel Rinebold

23 Recording Secretary

Secretary

24

25

26

27

28