

1 **DRAFT**

TOWN OF
WALLINGFORD

2 PUBLIC UTILITIES COMMISSION
3 WALLINGFORD ELECTRIC DIVISION

SEP 10 2019

4 100 JOHN STREET

DEPARTMENT OF
PUBLIC UTILITIES

5 WALLINGFORD, CT

6 Tuesday, September 3, 2019

7 6:30 p.m.

8 **MINUTES**

9 **PRESENT:** Chair Robert Beaumont; Commissioners Patrick Birney (arrived at 6:34 p.m.) and
10 Joel Rinebold; Director Richard Hendershot; Electric Division General Manager Tony Buccheri;
11 Office Manager Tom Sullivan; Water and Sewer Divisions General Manager Neil Amwake; Office
12 Manager William Phelan; Executive Secretary Kathy White; Recording Secretary Beth Dighello;
13 Public – none.

14
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
19 **2. Consent Agenda**

- 20 a. Consider and approve the Minutes of August 6, 2019

21 Chair Beaumont noted that item 2.b. was pulled off the consent agenda because it was found
22 to not be needed after it was submitted.

23
24 **Motion to approve the amended Consent Agenda:**

25 **Made by: Mr. Rinebold**

26 **Seconded by: Mr. Beaumont**

27 **Votes: 2 ayes**

28
29 **3. Items removed from Consent Agenda**

- 30 a. **Consider and approve Budget Transfer – Electric – Account 557 – Other**
31 **Purchased Power Expenses**

32
33 **4. Discussion and Actions: Approval of Director's Report for the Month of July**
34 **2019**

35
36 Mr. Hendershot reminded everyone that although we are currently in the first week of
37 September, this Director's Report is for the month of July. He stated that on July 9, he, along
38 with the WED GM Tony Buccheri and HR Director Jim Hutt, presented the proposed job

39 description for the WED Assistant Office Manager position to the Town Council, who
40 unanimously approved the job description. On July 26th, Mr. Hendershot met with the HR
41 Director to discuss several issues related to the Sewer Division portion of the NIPSEU Local
42 2019 contract, and on-going negotiations for a new contract to be effective next year. He
43 reminded everyone that NIPSEU Local 2019 is the new union replacing AFSCME 1183.

44
45 Regarding the Wallingford Renewable Energy ("WRE") Solar-PV Interconnection, WRE's "go
46 live" date has been pushed back even further, to second quarter of 2020. In response to this,
47 the WED is delaying its efforts to be finished until April 2020. An issue between WRE and ISO-
48 NE has developed and WRE may need to add a fourth interconnection point.

49
50 Service work during July included six (6) new services, 11 service changes and three (3) retired
51 services. Street light work included 62 LED street light conversions and three (3) street light
52 repairs. To date, 1,740 LED streetlights have been installed, with 2,895 HPS streetlights
53 remaining to be replaced. During July, three (3) poles were replaced, along with 11 aged
54 overhead transformers. The WED's goal is to replace 150 poles in fiscal 2020.

55
56 System Operator applicants were tested on July 26th and HR supplied the Division with a list of
57 candidates. Interviews took place August 6th through 9th. The Division posted and advertised
58 for both a Meter Technician and an Apprentice Meter Technician. The Division has also
59 advertised for the now-vacant Distribution Technician position. The new Distribution Engineer
60 position has been posted and advertised. Human Resources now needs to conduct the
61 screening exam and provide a candidates list. The Assistant Office Manager's job has been
62 advertised within the Town, and the posting has closed. Human Resources now needs to
63 conduct the screening exam and then provide the Division with a candidates list.

64
65 Regarding electric system metrics, system input for July totaled 60,600-MWh, a decrease of
66 2.3% from 2018. Maximum system demand for the month was 126.3-MW, a decrease of 2.5%
67 from last year. The Average System Availability Index for July was computed at 99.993%.

68
69 In June, 96.5% of the WED's total energy was hedged. The forecasted hedging level for June
70 was 92.5%. The Electric Division's all-in actual power costs per MWh for June was \$85.97. The
71 budget forecast for June was \$96.44, so that compares favorably. The prevailing six-month
72 average PCA forecast was \$104.02. The actual six-month all-in wholesale power cost for
73 January –June was \$95.94. This also compares very favorably. The average cost for the
74 generation only component for the hedged volume was \$43.85. The average cost of the totatl
75 volume came in at \$42.62. Mr. Hendershot noted that because the Division bought almost
76 2,800 MWhs of short energy at an average price of \$24.47, as well as a modest price for
77 location spread, this contributed to the total cost of energy being \$1.23/MWh less expensive
78 than the cost of hedged energy.

79
80 Mr. Rinebold asked Mr. Hendershot if he is seeing these low prices curtailing investment in new
81 generation or resources. Mr. Hendershot replied that nothing new that burns anything is being
82 proposed. Connecticut is working really hard to add wind and solar resources to the fleet. That
83 will continue to put downward pressure on the value of everything else. Mr. Beaumont said

84 with generation, when you start getting more wind and solar, you better make sure to have
85 some quick start gas units ready to go. You can't depend on wind and solar at the time of day
86 you might need it.

87
88 The Water Division experienced three (3) water main breaks and no (0) service leaks during
89 July. Contract 35 was progressing nicely. All of the new main line has been installed. During
90 July, 31 services were connected to new mains. The design for stand-by generators for Well 1
91 and Wells 2/3 has been completed and bid documents have been forwarded to the Purchasing
92 Bureau. The bid advertisement is scheduled for August 22nd. The draft unidirectional flushing
93 program was received from the consultant on July 12th. Staff plans to respond in early August
94 with peer review comments. The Division's annual water main flushing program continued in
95 August, with the flushing of Zones No. 4 and No. 5 accomplished. Efforts have now moved
96 onto Zone 6.

97
98 The vacant Electrical Technician at the Water Treatment Plant screening exam was held on July
99 31st. The Division awaits a candidates list from HR. The vacant Assistant Superintendent –
100 Water Supply position, as noted last month, was posted and advertised internally beginning July
101 2nd. The Division awaits a candidates list from HR. A candidates list for the vacant Operator II
102 position was received in August.

103
104 Water production in July totaled 144.4 million gallons, an increase of 5% from July 2018.
105 Reservoir storage at month's end was at 94.8% of total effective impoundment. The historical
106 average for July is 86.2%. Precipitation for the month totaled 6.3 inches, which is 2.4 inches
107 above the historical average for July. Precipitation to date is 34 inches, which is nearly six (6)
108 inches above the historic mean] for the first seven months of the calendar year.

109
110 Chair Beaumont commented about the Electrical Technician position. He stated that he
111 received feedback from an applicant that the questions on the test were more of an electronic
112 nature, rather than an electrical nature. Mr. Amwake responded that a list of questions is
113 provided to the appointing authority for each division. We can go through them and review
114 them, however, Human Resources has the responsibility for generating the questions. Mr.
115 Amwake stated that none of the candidates for that position passed the test. He said in the
116 past the Water Division has tried to write their own questions, but were denied that opportunity
117 by HR. HR subscribes to a service which provides the exam questions. Mr. Rinebold said
118 something appears to be disconnected. Mr. Hendershot stated that the Town's process keeps
119 the appointing authority completely out of the process until a candidates list is presented to
120 them. Mr. Rinebold said we need to use the right test in order to get the right people in the
121 right place. Mr. Hendershot said there are other methodologies that take longer, but result in a
122 serviceable list after one effort. Our current process does not have the best results.

123
124 Mr. Rinebold stated that it appears as though there has been ample rainfall and we have plenty
125 of storage, but our production is up 5%. Usually, higher production is associated with a dry
126 summer. Mr. Amwake stated the comparison is between July 2018 and July 2019. July 2019
127 was very humid so there may have been more pool and sprinkler usage. Mr. Hendershot stated

128 that while precipitation may be up, rain events are down. We get more rain more quickly.
129 There are not many days of slow, steady rain.

130
131 The Sewer Division staff responded to and resolved a total of seven (7) WWTP alarms,
132 collection system trouble calls and vehicle issues during July. Staff will provide a real-time
133 update of the status of the WWTP Facility Plan/Phosphorus Treatment Plant at the end of this
134 report. During July, the collection system staff televised 15,699 linear feet of sewer main and
135 flushed 1,322 feet of sewer. To date, 13.8 miles of sewers have been televised and 6.6 miles
136 have been flushed in 2019.

137
138 At the Wastewater Treatment Plant, the average daily flow during July was 4.2 MGD, which is
139 0.1 MGD above the average daily flow of July 2018. The 12-month rolling average daily flow
140 remains at 6.4 MGD, which is below the 90% permit threshold of 7.2-MGD.

141
142 For July, the average level of phosphorus in the WWTP effluent was 0.46 mg/L, which is 0.08
143 mg/L below the July 2018 level. Recall that the current permit level is 0.7 mg/L. Nitrogen
144 discharge for the month averaged 252 pounds per day. This amount is below the July 2018
145 discharge rate of 284 pounds per day, and is under the permit level of 269 pounds per day.
146 Average daily discharge for nitrogen in 2019 is 497 pounds through July.

147
148 Related to the Private Side I/I Mitigation Program, the Division staff conducted 32 inspections,
149 which identified two (2) connections. Also during the month six (6) issues were corrected.
150 Since inception, the I/I program has conducted 1,581 inspections, identified 190 connections
151 and corrected 125 issues.

152
153 Mr. Rinebold asked for an explanation of the criteria for the watershed inspections and your
154 watershed properties. Mr. Amwake responded that this focuses on our water reservoirs. We
155 are looking for sources of contamination that may eventually leech into or drain into the surface
156 water reservoirs. We are looking for abandoned vehicles, improperly disposed of manure, etc.

157
158 Chair Beaumont asked for an explanation of cross connections. Mr. Amwake replied that cross
159 connections occur when there is a possibility of back siphoning. You would need some type of
160 cross connection device to prevent solutions from entering the potable water as a result of
161 backflow. We are looking to prevent cross contamination. A lot of times people don't realize it
162 is a violation. The Department of Public Health requires that we inspect 100 percent every
163 year.

164
165 Mr. Amwake provided the Commission with an update on the WWTP Facility Plan/Phosphorus
166 Treatment Project. He stated that we still have the design phase open. On August 22nd, we did
167 execute a construction service agreement between the Town and AECOM. They will provide
168 engineering services during the construction phase of the project. The contract is more than
169 for just the construction period. We will keep AECOM on board during the one-year warranty
170 period. Also, DEEP requires some reports for up to 15 months afterwards. We continue to
171 move forward with construction, and we are in the paperwork phase. We are still waiting on
172 final grant percentage value.

173
174 Something new is that the Town (via AECOM) may issue work change directives. We give
175 information back to the contractor, without the contractor first asking for it. At this stage of the
176 game, it is easy to adjust and the changes tend to be minor. The construction trailers have
177 been placed and the final utility connections are being made. The trailers are fully functional
178 now. At the plant, we are installing the silt fencing and removing some of the chain link
179 fencing. We are beginning to excavate.

180
181 The Water Division staff has organized and cleaned up the pipe yard. We are allowing C.H.
182 Nickerson to store material there. Behind the truck barn, we will use it for trailers and vehicles.
183 At the height of construction, we expect to have 60-75 workers per day. We need to start
184 looking at logistics. We are in good shape.

185
186 Mr. Rinebold asked for the AECOM setup, do we know who the third party is for the review of
187 the construction plans on behalf of the Building Department and the Fire Marshal's Office. Mr.
188 Amwake responded that we were provided a list from the Building Department which was then
189 forwarded to AECOM. They reached out to the firms that have done this on behalf of Choate
190 and other entities in Town. Mr. Rinebold asked if it was required to have a non-biased third
191 party review of the work. Mr. Amwake responded that the Building Dept. as well as the Fire
192 Marshall could do it, but scope of the project makes it more efficient to use a third party. Mr.
193 Rinebold asked what the costs are associated with this. Mr. Amwake responded that it is less
194 than \$6,000. It is minor.

195
196 Mr. Rinebold asked what the next big administrative milestone will be. Mr. Amwake said it is to
197 get the interim funding obligation (IFO) through DEEP. Mr. Rinebold said that is not under our
198 control. Mr. Rinebold asked about the timeline for this. Mr. Amwake said the funding
199 ordinance for the Town of Wallingford allows us both short term and long term financing. It is
200 question of working with Finance. One item we have requested from AECOM and C.H.
201 Nickerson is cash flow. Once the IFO is in place, we can start cycling the money from DEEP
202 directly to Nickerson. We are in constant contact with DEEP. There are a lot of different
203 agencies involved. We can pay two or three months to Nickerson and AECOM, but after that
204 we are looking at short term financing. Mr. Rinebold asked Mr. Amwake to keep the
205 Commission updated on the project and the financing. Mr. Amwake said there is a regulatory
206 requirement, as well as a financing requirement, however, they are disconnected. We do have
207 a healthy reserve in the Sewer Division which we may need to use in the short term.

208
209 Mr. Hendershot stated that due to the sequence of PUC meetings, he would not ask Mr.
210 Amwake for an update on this project at the next meeting. At the second PUC meeting in
211 October, we will look for an update.

212
213 **Motion to approve the Director's Report as presented:**

214 **Made by: Mr. Birney**

215 **Seconded by Mr. Rinebold**

216 **Votes: 3 ayes**

217

218 **Public Question and Answer Period**

219 There were no members of the public in attendance.

220

221 **WATER/SEWER**

222 **5. Review of Water Division Disbursements for the Month of July 2019**

223

224 **6. Review of Sewer Division Disbursements for the Month of July 2019**

225 Mr. Rinebold asked if the \$402,566 was for the purchase of nitrogen credits for the full year.

226 Mr. Amwake said it was for the full calendar year for CY 2018.

227

228 **ELECTRIC**

229 **7. Review of Electric Division Disbursements for the Month of July 2019.**

230 Chair Beaumont asked about the renewal of BAUT. Mr. Sullivan responded that it is for the

231 renewal of auto insurance.

232

233 **8. Discussion and Possible Action: Revised PUC Policy E-2; Commercial,**
234 **Industrial and Municipal Customer Energy Efficiency and Conservation**
235 **Incentive Policy.**

236

237 Mr. Birney asked for clarification regarding what triggered the red-lined version process. Mr.
238 Hendershot said it was the result of a meeting at the Mayor's office with Electric Division staff,
239 the School's Superintendent's office and the Mayor. The modifications were made subsequent
240 to the meeting and Mr. Hendershot thought it appropriate to make the changes and bring it
241 before the Commission. The substantive change is to enable municipal accounts to receive an
242 advance on any potential incentive payment. Mr. Birney said that in the red-line there is an
243 ability for non-municipal rate payers to get reimbursed the diligent costs. He asked if that was
244 new. Mr. Hendershot replied that it is not new, it has always been there. They have always
245 been able to include it in the cost of the project as long as it didn't make the project so
246 expensive that it was no longer cost effective with the five year benchmark. The administrative
247 time involved will not substantially increase. The projects are already being monitored.

248

249 Mr. Rinebold asked what happens if the feasibility study moves forward, but the project is found
250 to not be feasible. Mr. Hendershot stated that if that happens, the advance will come back to
251 the Division. Mr. Rinebold asked if there were any discussions about bringing on a particular
252 vendor. Mr. Hendershot replied that Division is not involved in that. Mr. Rinebold said he has
253 concerns that all parties are informed of the language. There must be due diligence. There
254 should be clear language that if the project does not go forward, there will need to be payback.
255 Mr. Hendershot replied the language is included to protect rate payers' funds. Mr. Rinebold
256 said he likes where this is going, but wanted to make sure the rate payers are protected.

257

258 Mr. Rinebold asked what the next step is if the PUC approves this. Mr. Hendershot stated that
259 there is no further approval necessary, but he will alert all interested parties to these new
260 features.

261

262 **Motion to approve the Revised PUC Policy E-2 based on Mr. Hendershot's memo of**
263 **August 28, 2019 and for reasons stated on the record.**

264 **Made by: Mr. Birney**

265 **Seconded by: Mr. Rinebold**

266 **Votes: 3 ayes**

267

268 **9. Discussion and Possible Action: Electric Division – Approve Director's**
269 **Attendance at APPA/NEPPA Legislative Meeting in Washington, D.C. from**
270 **October 15-17, 2019.**

271

272 Mr. Hendershot clarified that this is almost exclusively an NEPPA effort. It is not much of an
273 APPA effort. NEPPA began doing this about four years ago due to the lack of overall
274 cohesiveness between the New England Region's concerns and that of public power nationwide.
275 The issues involve capacity markets and the cost of transmission. To a somewhat lesser extent,
276 it includes climate change initiatives which means responding to pressures and concerns
277 regarding renewable generation. NEPPA views these issues as more important than power
278 companies across the nation. He stated that he wanted the Commission to make their decision
279 in the correct context.

280

281 Mr. Rinebold stated that issue number one is very appropriate and needs to be addressed. He
282 stated regarding the second related to hydropower, he didn't realize there was a lag because of
283 bureaucratic licensing and not opposition to the legislation. Mr. Hendershot replied that this is a
284 bigger issue out west. Mr. Rinebold said these are good issues and are very relevant. He said
285 he supports Mr. Hendershot's attendance. Mr. Beaumont stated that he also supports the idea.
286 He said attendance is important because we need some face time.

287

288

289 **Motion to approve the Director's attendance at the APPA/NEPPA Legislative Meeting**
290 **per Mr. Hendershot's memo dated August 27, 2019 and for reasons stated on the**
291 **record.**

292 **Made by: Mr. Birney**

293 **Seconded by: Mr. Rinebold**

294 **Votes: 3 Ayes**

295

296 **Committee Reports/Correspondence**

297

298 Mr. Buccheri stated that Mr. Hendershot attended the NEPPA Annual Conference in August.
299 Upon his return, Mr. Hendershot had a list of items to review with Mr. Buccheri. One of those
300 items was a presentation he attended regarding the NEPPA Benevolent Fund and a fellow utility
301 worker that was experiencing some health issues. Mr. Hendershot asked Mr. Buccheri to find
302 out if that would be a good resource for Bruce Vanags, who recently retired from the Electric
303 Division. Mr. Buccheri wrote a memorandum highlighting Bruce's career and health issues and
304 submitted it. Within a short time, the NEPPA Benevolent Fund responded with a generous
305 donation to Bruce.

306 Chair Beaumont passed out some information that he received at the Commissioner's Round
307 Table. The Commissioner's Round Table was headed by a Commissioner from Middleton, MA.
308 He spoke about the planning process and looking ahead ten or twenty years to make sure we
309 are changing with the times. Where are the utilities going? With renewables, it may be too
310 much of a good thing. Storage is not cost effective and is an issue.

311
312 Chair Beaumont stated that he, along with Mr. Hendershot and Mr. Buccheri, had a tour of the
313 Pierce Plant. This was prompted by a request from a former employee for a picture of a patent
314 applied for and received by Alfred Pierce in October 1910. The former employee believed it was
315 located within the plant. They were able to locate the document, and Chair Beaumont said he
316 would be happy to get a copy to anyone interested in having one.

317
318 Mr. Rinebold stated that he will not be able to attend the September 17, 2019 meeting.

319
320

321 **ADJOURNMENT**

322 **Motion to adjourn.**

323 **Made by: Mr. Birney**

324 **Seconded by: Mr. Rinebold**

325 **Votes: 3 Ayes**

326

327 The meeting was adjourned at approximately 7:47 p.m.

328

329 Respectfully submitted,

Respectfully submitted,

330

331

332 Elizabeth Dighello

Joel Rinebold

333 Recording Secretary

Secretary