

APP'd
5/18/21

DRAFT

PUBLIC UTILITIES COMMISSION

WALLINGFORD TOWN HALL

ROOM 315

45 SOUTH MAIN STREET

WALLINGFORD, CT

Tuesday, May 4, 2021

6:30 P.M.

MINUTES

**TOWN OF
WALLINGFORD**

MAY 10 2021

**DEPARTMENT OF
PUBLIC UTILITIES**

PRESENT: Commissioners Patrick Birney and Joel Rinebold; Director Richard Hendershot; Electric Division General Manager Tony Buccheri; Electric Division Business Office Manager Marianne Dill; Water and Sewer Divisions General Manager Neil Amwake; Water and Sewer Divisions Business Manager Brian Naples; Recording Secretary Bernadette Sorbo

ABSENT: *Chairman Robert Beaumont*

Members of the public – Adelheid Koepfer (via teleconference); Krupa Modi (via teleconference); Robert Berlepsch; Gail Berlepsch; Mayhew Seavey (via teleconference)

Mr. Birney called the Meeting to order at 6:30 P.M., and the pledge of Allegiance was recited.

1. Pledge of Allegiance

2. Consent Agenda

- a. Consider and approve Meeting Motion/Minutes of April 15, 2021
- b. Consider and approve Meeting Minutes of April 20, 2021

Motion to approve the Consent Agenda:

Made by: Mr. Rinebold

Seconded by: Mr. Birney

Votes: 2 ayes

3. Items Removed from Consent Agenda – None

4. Discussion and Possible Action: Water and Sewer Divisions: Customer Appeal – Berlepsch

Mr. Naples stated that on October 1, 2020 Mr. and Mrs. Robert Berlepsch received a \$591.75 Water and Sewer bill, which was significantly higher than previous bills. The customer's bill for

38 January 1, 2021 was \$826.39. When the reading was completed in December, 2020 the Water
39 and Sewer Divisions proactively reached out to the customer to inform the customer that the read
40 was very high and that there was a likely issue with internal plumbing. At that point the
41 customer reached out to a plumber who found that there was an issue with a leaking toilet. The
42 toilet was fixed and the customer's consumption went back to normal. As of May 4, 2021 the
43 customer's current balance is \$716.43. The customers reached out to the Water and Sewer
44 Divisions to see if there was anything that can be done to help pay down their high balance.

45
46 Mr. Berlepsch stated that the issue must have come from the upstairs leaking toilet.

47
48 Mr. Rinebold stated that he is thankful that the problem has been resolved but the water was used
49 and disposed. Mr. Rinebold advised that he would be supportive of a payment plan with zero
50 interest to help reduce the balance. The payment plan shall be a minimum monthly payment of
51 \$75.00 with no interest for 12 months for the outstanding balance of the October 1, 2020 and
52 January 1, 2021 bill amounts provided that the full amount is paid by May 31, 2022; and the
53 Berlepsch's remain current with future water and sewer bills. Mr. Robert Berlepsch and/or Mrs.
54 Gail Berlepsch shall contact the Water and Sewer Divisions Business Office within seven (7)
55 calendar days to enter into the payment plan. Failure by the Berlepsch's to arrange for the
56 payment plan within one (1) week or to remain current on their future water and sewer bills as
57 well as the above described monthly payments will void this motion, and at such time interest
58 will begin to accrue on any outstanding balance and Mr. and Mrs. Berlepsch may be subject to a
59 future lien(s).

60
61 **Motion to approve a payment plan for Mr. and Mrs. Robert Berlepsch of \$75.00/month**
62 **with no interest for 12 months, provided that the full amount is paid by May 13, 2022 and**
63 **the Berlepsch's account remains current.**

64
65 **Made by: Mr. Rinebold**

66 **Seconded by: Mr. Birney**

67 **Votes: 2 ayes**

68
69 **5. Discussion and Possible Action: Water and Sewer Divisions: Customer Appeal**
70 **– Wallack**

71
72 Mr. Amwake stated that on May 2014 the customer advised that they were moving to Vermont
73 and requested that bills be sent to a mailing address in South Burlington, Vermont. The
74 customer paid all bills on time from May 2014 until December 2019. The December 2019 bill
75 was unpaid and the first interest charges were incurred on January 1, 2020. The customer made
76 no further payments until February 24, 2021 when the customer paid the outstanding balance of
77 \$947.92 in full.

78
79 On December 22, 2020 the customer's bill with the South Burlington address was returned to the
80 Water and Sewer Divisions. On the envelope was a handwritten note that read "Addressee
81 Unknown, he has not been at this address for at least 2 years." On February 1, 2021 the Business
82 Office received a handwritten note from Mr. Wallack instructing the Water and Sewer Divisions
83 to stop sending mail to the Vermont address. Staff telephoned Mr. Wallack, who said that he is

84 no longer in Vermont and would send a written change of address request to the Water and
85 Sewer Divisions Business Office. On February 4, 2021 the Business Office received a written
86 note from Mr. Wallack requesting a change of mailing address. The mailing address was
87 changed in the Customer Information System at that time and the note from Mr. Wallack was
88 filed in the Customer Information System Correspondence folder.
89

90 On February 22, 2021 the customer telephoned asking that interest be waived because he was not
91 receiving the water and sewer bills. Assistant Business Manager Lawrence Regan told the
92 customer that the Divisions' protocol requires change of address requests in writing. The
93 customer claimed he sent the Water and Sewer Divisions a change of address request in 2018.
94 Staff checked the CIS Correspondence folder and did not find a change of address request from
95 2018. Mr. Regan also asked the customer why he did not contact the Division when he was not
96 receiving bills and the customer said because he had a lot of things going on. Mr. Regan told
97 him that the Division could not waive the interest charges. Mr. Wallack has paid all of the back
98 interest and currently has a zero balance on his account. The customer said he wanted to appeal
99 so he was directed to the PUC. Since then the issue has self-resolved and no further action is
100 warranted by the PUC regarding this matter.
101

102 **No Action Taken**

103 104 **6. Discussion and Action: Sewer Division – Wastewater Treatment Sludge 105 Transportation and Disposal Agreement Extension** 106

107 Mr. Amwake stated that 5 years ago one of his first assignments was to evaluate the Wastewater
108 Treatment Sludge Transportation and Disposal Agreement. At that time a thorough analysis was
109 completed as to where the Wallingford Wastewater Treatment Plant can dispose of its sludge.
110 There were 3 options: Synagro Northeast LLC, Veolia and the Metropolitan District. MDC
111 could not guarantee a 5-year contract, Veolia was inconsistent with their ability to take the
112 sludge in a timely manner, and Synagro had the strongest selling point which was that they have
113 backup facilities with transportation as well as disposal.
114

115 Mr. Amwake stated that the Sewer Division is looking for a 5-year extension that would begin
116 January 1, 2022 through December 31, 2026. Effective January 1, 2022 the combined
117 transportation and disposal rate shall be \$104.08 per wet ton, based on a solids content of
118 between 16% and 25%, with an average monthly percent solids of 17.5%.
119

120 Mr. Birney questioned, hypothetically, if the contract was for a term of 6 years and you utilized
121 the current agreements methodology to adjust the current price to the 2022 price what would
122 2022 price be aka the hypothetical 2022 price? Mr. Amwake stated that the 2022 price would be
123 based off of the Boston, Brockton, Nashua January 1, 2022. Mr. Amwake advised that he did
124 not have the Consumer Price Index (CPI) for January 2022 since it has not yet been published.
125 Therefore, Mr. Amwake did a 10 year look back and the average inflation in January was 4.68%
126 per year. Therefore, the 2022 hypothetical price would be \$100.88 per wet ton.
127

128 Mr. Birney questioned, assuming the actual January 2022 price of \$104.08 per wet ton is above
129 the hypothetical price what is the percentage increase from the hypothetical 2022 price to the
130 actual 2022 price?
131

132 Mr. Amwake stated that he compared the 2021 actual price to the 2022 actual price and there
133 was an 8.00% increase. Mr. Amwake then compared the 2021 actual price to the 2022
134 hypothetical price and the increase was 3.17%.
135

136 Mr. Birney questioned, per foot note 1 in the memorandum to the PUC mentions Torrington bid
137 prices, can you elaborate on the similarities between Wallingford and Torrington and why the
138 numbers in Torrington are compelling and strongly pervasive to support the adoption of the
139 extension?
140

141 Mr. Amwake stated that while Synagro was finalizing the purposed Amendment #2, the City of
142 Torrington put out a 3 year bid for their Sludge Transportation and Disposal. Torrington is also
143 undertaking a Tertiary Phosphorous Upgrade and they are about 9-12 months ahead of
144 Wallingford. Torrington has an activated sludge treatment process and a screw press. Torrington
145 dewaterers their sludge 22%-25% and Wallingford is at 18%-20%. Torrington went out on the
146 open market and bid a firm three-year contract. Two bidders submitted responses. The bid
147 prices were \$127.07 and \$133.00 per wet ton. Mr. Amwake stated that if he projected forward
148 taking Wallingford's actual January 2022 price of \$104.08 and then using the percent of 4.8 and
149 projecting forward to the mid-term of Torrington's 3-year contract he came up with
150 Wallingford's price of \$108.95 per wet ton, which would still be less than Torrington's bid price.
151 Mr. Amwake advised with only two bidders sludge transportation and disposal market is
152 constrained. It is note that a portion of the price with Synagro is insurance, per se. The FY21-22
153 Sewer Division budget includes the additional sludge that will be generated from the tertiary
154 phosphorous treatment process and carried a 10% budget increase, since at the time the 5-year
155 extension with Synagro had not yet been finalized.
156

157 Mr. Birney questioned, procedural can you confirm that the ability for the PUC to approve the 5-
158 year extension was contemplated by and made permissible by the December 13, 2016 bid
159 waiver?
160

161 Mr. Amwake stated that he had the same concern and had already asked this question to the
162 Department of Law. Janis Small stated that yes, procedurally PUC can. The bid waiver that was
163 endorsed by the PUC and passed by the Town Council in 2016 allowed the Sewer Division to
164 enter into agreement. The agreement is composed of the original five year term plus one 5-year
165 extension. The recommendation from the Sewer Division is to move forward with the Sludge
166 Transportation and Disposal Agreement Extension with Synagro Northeast LLC.
167

168 **Motion to authorize to enter into Transportation and Disposal Agreement Extension with**
169 **Synagro Northeast LLC for the period of January 1, 2022 to December 31, 2026.**
170

171 **Made by: Mr. Rinebold**

172 **Seconded by: Mr. Birney**

173 **Votes: 2 ayes**

174 **7. Discussion and Action: Sewer Division – Budget Amendment – Manhole Repair**
175 **and Lining – Maintenance Collection System**
176

177 Mr. Amwake noted that there are two separate motions for the Manhole Repair and Lining
178 agenda items. The first motion that is being requested to make and approve is to move money
179 from operating funds into retained earnings. There is then a second procedural motion to move
180 the money back out of retained earnings into the Sewer Division capital budget.
181

182 Mr. Amwake stated that since 2018 the Collections Crew of the Wallingford Sewer Division has
183 been performing sanitary sewer manhole assessments utilizing a form developed by the
184 Engineering Section. The impetus for development of the manhole Field Report was to assist the
185 Inflow and Infiltration Removal Program with identification of manholes requiring repair,
186 including manhole lining. In this manner, the Engineering Section and the WSD have taken a
187 data driven approach to identifying and prioritizing (ranking) sanitary sewer manholes that
188 should be repaired, focusing on sewersheds with high inflow or infiltration values. The
189 Engineering Section and Sewer Division leadership recently completed an update to the manhole
190 repair and lining specification. The scope of work included patching voids at pipe inlets, pipe
191 outlets and invert/bench interface; localized patching of walls, cones and joints; and installing a
192 geopolymer lining system where localized repairs are not sufficient; and bypass pumping as
193 applicable. Following multiple conversations amongst Engineering Section staff and with the
194 Water and Sewer Divisions Business Office this funding is better aligned as a capital budget item
195 based on the scope of work. Specifically, the majority of the funding will be spent on lining
196 multiple sanitary sewer manholes with the geopolymer liner. The geopolymer liner will extend
197 the lifespan of the rehabilitated manhole through improved structural integrity and will reduce
198 infiltration into the manhole, which will therefore provide a betterment to the functionality of the
199 manhole.
200

201 **Motion to amend the FY20-21 Sewer Division budget by reducing operating Account #461-**
202 **00673 (Maintenance Collection System) by \$30,000.00 through a corresponding increase in**
203 **the Appropriation to Retained Earnings (Cash) in the Use of Funds section of the budget.**
204

205 **Made by: Mr. Rinebold**
206 **Seconded by: Mr. Birney**
207 **Votes: 2 ayes**
208

209 **8. Discussion and Action: Sewer Division – Budget Amendment – Manhole Repair**
210 **and Lining – Collection System and Appurtenances**
211

212 **Motion to amend the FY20-21 Sewer Division budget by increasing capital Account #463-**
213 **00343 (Collection System and Appurtenances) by the amount of \$30,000.00 through a**
214 **corresponding increase in the Appropriation from Retained Earnings (Cash) in the Source**
215 **of Funds section of the budget.**
216

217 **Made by: Mr. Rinebold**
218 **Seconded by: Mr. Birney**
219 **Votes: 2 ayes**

220 **Public Question and Answer**

221
222 Ms. Koepfer referenced the Rate Generation Study from the workshop that was held a month
223 back, and questioned if the major change in the rates for the next 4-5 years is a small increase on
224 the residential side and a decrease for the other customer classes?

225
226 Mr. Hendershot stated that this is correct.

227
228 Ms. Koepfer questioned that one of the major reasons for the increase to the residential
229 customers is the cost's peak demand charge?

230
231 Mr. Buccheri stated that this is correct.

232
233 Ms. Koepfer questioned if the consultant was speaking about the Wallingford load shape or the
234 New England load shape?

235
236 Mr. Hendershot stated that the consultant was speaking about the Regional load shape as this is
237 the data he has.

238
239 Ms. Koepfer questioned if Wallingford is the same peak hour of the day?

240
241 Mr. Naples stated that Wallingford capacity costs are incurred based on the Regional peak
242 therefore it is what Wallingford is doing at the Regions peak hours.

243
244 Ms. Koepfer questioned if this is the best that can be done?

245
246 Mr. Seavey stated that it is not the best that can be done, but rather it is the correct way of
247 modeling. Wallingford is billed for capacity and transmission based on what the load in
248 Wallingford is during the hour of regional peak demand and does not matter whether or not you
249 have solar behind your meter it matters on what residential customers are doing at 6:00 PM
250 which is when the regional peak occurs. You get billed on what you are doing in the evening.
251 You do benefit from this as you are being billed for capacity and transmission.

252
253 Mr. Hendershot noted that the load forecast that was used as part of the basis for this cost of
254 service study and rate development indicates that wholesale power costs are projected to go
255 down over the next four years largely because of a decrease in capacity costs.

256
257 **Public Question and Answer Period Closed**

258
259 **9. Discussion and Action: Sewer Division -- Budget Amendment -- Security Camera**
260 **Server**

261
262 Mr. Amwake stated that in October, 2020 the security camera server used to monitor critical
263 Wallingford Public Utilities infrastructure catastrophically failed and needed immediate
264 replacement. The charges for the server replacement were billed in full to the Electric Division,
265 and the Electric Division has subsequently billed the Water Division for their share (37.5%) of

266 the server replacement. Because this server failure was unexpected, the replacement was not
267 budgeted for in the current fiscal year. As such the Sewer Division is requesting a budget
268 amendment of \$3,500.00 to Account #433-00397 to pay for the Water Division's share of the
269 security camera server replacement. Funds for this purpose will be made available through a
270 corresponding increase in the Appropriation from Retained Earnings (Cash) in the Source of
271 Funds section of the budget.

272
273 **Motion to amend the FY20-21 Water Division budget by increasing Account #433-00397**
274 **(Communication Equipment) by the amount \$3,500.00 through a corresponding increase in**
275 **the Appropriation from Retained Earnings (Cash) in the Source of Funds section of the**
276 **budget.**

277
278 **Made by: Mr. Rinebold**
279 **Seconded by: Mr. Birney**
280 **Votes: 2 ayes**

281
282 **10. Discussion and Action: Electric Division – Signatory Authorization – CEAP**
283 **Agreement**

284
285 Mr. Hendershot referenced the memorandum that was dated April 27, 2021 in regards to the
286 Connecticut Energy Assistance Program (CEAP). Mr. Hendershot stated that the staff of the
287 Wallingford Electric Division is requesting that the PUC give authorization to either the Director
288 of Public Utilities or the Electric Division General Manager to sign the Connecticut Energy
289 Assistance Program (CEAP) form. This form, which was forwarded by the State of Connecticut,
290 Department of Social Services, represents the yearly form required by said Department enabling
291 the WED to participate in any of the energy assistance programs administered by the State. In
292 prior years, the PUC authorized its Director to sign this agreement; however, it is Mr.
293 Hendershot's opinion that either the Director or the Electric Division General Manager be
294 signatories. The Commission may also wish to consider a second action at this time. As this
295 form is submitted yearly, the Commission may authorize the Director or General Manager to
296 sign any future agreements without seeking annual authorization from the PUC. This would
297 eliminate the need to place this item on the agenda each year.

298
299 **Motion to authorize the director or the Electric Division General Manager to sign the**
300 **CEAP Agreement**

301
302 **Made by: Mr. Rinebold**
303 **Seconded by: Mr. Birney**
304 **Votes: 2 ayes**

305
306 **11. Discussion: Electric Division Workshop - Proposed Rates**

307
308 Mr. Buccheri advised that this workshop is for the proposed rates over the next four years. The
309 rates were developed with two broad objectives in mind. These objectives are:

- 310 1. To ensure that revenues were adequate to cover expenses over the long term

311 2. To move to rates of return, across all customer classes, that are more equitable and
312 reflective of industry norms.

313 PLM performed a Historic Test Year Cost of Service Study using Fiscal Year 2019 as the test
314 period. The purpose of this study was to determine how the present rates are performing, both in
315 terms of overall adequacy of the rates and in terms of the rates of return produced by each
316 individual customer class. The historic test year model is also used to test the accuracy of the
317 computer model in calculating the revenues produced by the existing rates, so that the same
318 model can be used to predict the revenues that will be produced by new rates. FY2019 was
319 chosen as the test period because it did not reflect the impact of Covid19 on sales and therefore
320 was hoped to be more representative of the study period post-pandemic. This methodology
321 allocated costs to each rate class and compared actual revenues from each class to allocated costs
322 to determine rates of return to each rate class. These rates of return differ significantly from
323 those reported in the previous cost of service study. This is partly due to differences in the
324 allocation factors used for purchased capacity and transmission in this study compared with the
325 previous study, as well as a shift in regional transmission usage patterns brought about by the
326 large amount of new solar generation in New England. Solar generation reduces the demand for
327 electricity during the middle of the day which causes the peak demand to occur later in the day,
328 typically around 6 PM. Residential customers contribute a larger share of the peak demand when
329 it occurs later in the day, and current rates do not collect enough revenue to cover the higher cost
330 of the capacity and transmission attributable to residential customers.

331
332 Mr. Rinebold stated that he is supportive of the document. The document addresses the fact that
333 Wallingford continues to invest in the lowest Energy Electric Rates in the State. This is not by
334 coincidence, it is by understanding the revenue requirements. Mr. Rinebold stated that this
335 document reinforces that Wallingford wants to keep the rates low.

336
337 Mr. Birney echoes Mr. Rinebold's statement and thanks Mr. Naples for all of his hard work.

338
339 Mr. Hendershot praised Mr. Mayhew and PLM for the approach.

340
341 **12. Discussion and Action: Electric Division – Set Date for Public Hearing –**
342 **Proposed Electric Rates**

343
344 Mr. Buccheri stated that the Electric Division would like to have the Electric Rates effective for
345 July 1, 2021. In order to meet this date, a Public Notice of any revised rates needs to be
346 published in the paper for an entire month before July 1, 2021. The proposal being put forward
347 is to schedule a public hearing on May 18, 2021 at the next regular scheduled PUC meeting.

348
349 **Motion to set the date for the Public Hearing regarding the Electric Rates to May 18, 2021**

350
351 **Made by: Mr. Rinebold**

352 **Seconded by: Mr. Birney**

353 **Votes: 2 ayes**

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ADJOURNMENT

Motion to adjourn

Made by: Mr. Rinebold

Seconded by: Mr. Birney

Votes: 2 ayes

The meeting was adjourned at approximately 7:30 p.m.

Respectfully submitted,

Respectfully submitted,

Bernadette Sorbo
Recording Secretary

Joel Rinebold
Secretary