

1 PUBLIC UTILITIES COMMISSION

2 WATER AND SEWER DIVISIONS

3 377 SOUTH CHERRY STREET

4 WALLINGFORD, CT. 06492

5 October 20, 2009

6 6:35 p.m.

7 PRESENT: Chairman, Robert Beaumont, Commissioners David Gessert (via telephone) and
8 Richard Nunn, Director George Adair, Electric Division General Manager Richard Hendershot
9 Electric Division Office Manager Thomas Sullivan, Water and Sewer Divisions General
10 Manager Roger Dann, Water and Sewer Divisions Office Manager William Phelan, Recording
11 Secretary, Cindy Kleist, Michael Colon, 47 Staffordshire Commons, Bob Gross, Long Hill
12 Road.

13
14 **1. Discussion and Action: Approval of PUC Meeting Minutes of October 6,**
15 **2009**

16 Motion to the approve the meeting minutes of October 6, 2009.

17 **Made by Mr. Nunn**

18 **Seconded by Mr. Gessert**

19 **Votes: 3 ayes**

20 **2. Discussion and Action: Approval of Director's Report for the Month of**
21 **September, 2009.**

22 Mr. Adair spoke about yet another delay with the billing software. He said that after
23 speaking with representatives at Greater New Haven Wastewater Authority and
24 their experience with this vendor , this has given him reason to go back to the
25 contract and consult with Town Legal Council and explore any additional leverage of
26 that type we may have.

27 Fundamental issues seem to be one of their completing the basic work, getting the
28 data conversion process where it actually functions correctly. There are still some
29 modifications that are in the works. We made a few changes in terms of
30 assignments.

31 Sharon Emmons is now going to assist by taking on the so called "Service Wise"
32 aspect. This is the logging in of problems that are encountered during testing and
33 sort of categorizes, puts a disposition on each one.

1 Mr. Adair said there are over 240 of these items and Sharon has been through a
2 process like this fairly recently and will be prioritizing those and working with other
3 members of the team. Our objective is to hopefully drive the vendor to work more
4 effectively and to have some very clear-cut goals and milestones to be able to hold
5 their feet to the fire with.

6 Mr. Adair said he is very disappointed with their performance to date and their
7 management but is still hopeful of the product. Greater New Haven still thinks they
8 are getting a good product but told the Commissioners to bear in mind they are
9 dealing with one commodity that they are cheerfully receiving, rather than our
10 case.

11 The delay and the talk of February 12-15th which encompasses President's Day and
12 Lincoln's Birthday holidays would be the next window of opportunity. We need a
13 good four-day stretch. We don't want to shut the office down if we don't have to in
14 order to accomplish this. Mr. Adair said that is where the issues and stands and that
15 he doesn't want to give up. He wants the vendor to finish his work. The ideal would
16 be an extra several weeks. Can't allow them to run everything out to that date.

17 Mr. Gessert asked if there was any way to target January and use February as a fall
18 back date.

19 Mr. Adair said that was possible to do this, citing a three-day holiday in January.
20 Still a lot of work to be done, progress slow, with identified items.

21 Mr. Beaumont asked if the software program being used was unusual.

22 Mr. Adair said that there were not a lot of substantive changes to the software.
23 There is no problem with the format. There is simply a volume of work they need
24 to apply.

25 Both Messrs. Nunn and Gessert asked if there were any penalties for failure to get
26 this thing online and Mr. Adair said there were none but there have been no
27 payments because nothing has come through. He said he was looking for other
28 ways to apply leverage. Mr. Adair said the next step might be an executive level
29 phone call.

30 Mr. Adair said the vendor has received written correspondence on a number of
31 occasions and are aware of our displeasure. We are keeping a good paper trail.
32 There is not a lack of expressing our concern and asking for improvements.

33 Under **Electric**, system input for September 2009 totaled 46,045 MWHrs, a
34 decrease of 10.6% compared to September 2008. Maximum system demand
35 occurred on September 4th at 90.733 MW, a decrease of 21.5% from the September
36 2008 peak. Some of this decrease could be weather related or due to the economy
37 and conservation efforts by the public.

38 Mr. Hendershot said through August, net income slightly under what was budgeted
39 for the entire year.

1 Mr. Adair said it was a pretty active month for the home energy savings programs.
2 The Commission also noted the promotion of WED Distribution Engineer Carlos
3 Duran who has been serving as Acting Chief Engineer since February 2. His first
4 official day as Chief Engineer will be October 13. There is now an effort to recruit a
5 new Distribution Engineer.

6 Mr. Adair said there was a slight increase in Water Production. Rainfall is a little
7 below average and the wastewater plant had a decrease in flow commensurate with
8 the lower rainfall. Nitrogen is a little higher than last years numbers and has to do
9 with the improvements we did last year.

10 Requests for bids went out on the Cytec related facility study, with bids due on
11 October 28. The pre bid meeting took place.

12 Mr. Dann asked about the rebuilding of the front office. Mr. Hendershot said that on
13 Tuesday, Oct. 20, the phone lines and data ports were activated and on Wednesday,
14 Oct. 21 business will be conducted in the new space. As of the first of the year, the
15 meetings will move back to the Electric Division.

16 Mr. Beaumont said the Commission could technically return to the new renovated
17 space on 100 John Street on December 1. However, when there is a long-term
18 change of location, there has to be a 30 day notification window according to FOI.

19 Mr. Gessert asked about the Summer Rates graph on P 12-18, concerning not being
20 able to see the United Illuminating graph details.

21 Mr. Adair said the U.I. lines are done in yellow and don't always show up clearly. He
22 said if one looked at the break in the \$200 line, the UI symbol could be seen.
23 Mr. Beaumont said one could also see this line around the \$250 and 1650 line.

24 Mr. Gessert had a few numbers questions on Page 12- 23 where the budget for the
25 year was \$91,000 and we only spent \$63,000. Mr. Adair said that was not a capital
26 account but operating counts, labor accounts.

27 Mr. Gessert asked about customer assistance budgeted for \$47,000, spent less than
28 \$7,000. Mr. Adair explained that was Sharon's salary based on the time she was
29 brought onboard vs how that position was budgeted. On page 12-26, transmission
30 plant 2006-07 very large numbers. Mr. Gessert said he knew there was a number of
31 underground projects that were to be done but he wondered if this was the money
32 for that or could use this money on other projects that need to be done.

33 Mr. Hendershot said some of this money is for contingency purposes should a bad
34 underground event happen but was not prepared to answer the 367 question for
35 '06-'07.

36 Mr. Gessert asked about transportation equipment for 2007-2008 is \$172,000. Mr.
37 Hendershot said that was a truck that has not arrived and been paid for yet.

38 On page 1A-25, Mr. Beaumont asked about the \$336,000 figure for transportation
39 equipment for '09 that closed in June that hasn't been touched yet and if some of it
40 may be encumbered and would like an update. Mr. Beaumont added that the

1 budget for the year was \$1.9 million carried over from '07-'08 and to date have
2 used almost \$900,000.

3 Mr. Adair said this figure is way down compared to what we had used from the
4 recent years.

5 Mr. Beaumont said water metering for the past month was "off dramatically." On
6 page 1A, 106-107 it shows we are down by a total of \$295,000 but the actual
7 metered amount is off in terms of metered sales. Mr. Phelan said part of that was
8 weather related, wet summer, very little irrigation and slowdowns in the economy.
9 The companies that are producing are probably not producing that much and the
10 trash facility is probably not receiving that much trash and not consuming as much
11 water. Trying to get our hands around where the biggest drop has taken place. Also
12 trying to project what the second quarter will look like. Mr. Phelan noted that
13 September production was up slightly from last year and will stabilize so it was
14 probably driven by weather conditions more than anything else.

15 On Page 1A-108, Mr. Beaumont asked that the Commissioners take a look
16 exclusively at September because it was half of what it was a year ago, from
17 392,000 down to 190,000

18 Mr Phelan said that the metered sales on a monthly basis are based on budgeted
19 numbers. So after quarterly billing is generated, there is a squaring up of those
20 quarterly numbers. For instance if you are taking one third of your budgeted
21 number for the month of July and a third for the month of August, when you square
22 up in September it's not a third anymore, it may be a third less so it is deceiving
23 when looked at from that perspective, based on month to month because we don't
24 really know what we are selling every single month.

25 Mr. Beaumont said that what it amounted to was being off in the course of a
26 quarter by \$190,000 but that got totally squared up more than that in September
27 and did not realize that is the way and his bottom line concern on line 14-7, that is
28 not a particularly good month. Mr. Gessert suggested putting an asterisk in there
29 and note for first two months of the quarter have done one third budgeted sales.

30 Mr. Beaumont said if there is a way to go ahead to do that or put the asterisk on
31 the Executive Summary.

32 **Mr. Gessert made a motion to approve the Director's Report for the month**
33 **of September 2009. Mr. Nunn seconded the motion.**

34 **Votes: 3 ayes**

35 **PUBLIC QUESTION AND ANSWER PERIOD**

36 Bob Gross, Long Hill Road said he wanted to know why one of the generators in the
37 trailer at the Recycling Center appeared to go on Saturday morning. He said he
38 realized the generator will go on when the grid asks for power but he noted the
39 newsletter he received that the generator is supposed to remove 90 percent
40 nitrogen oxide. He wanted to know what the percentage was that was coming out.

1 Mr. Adair said it was nitrogen oxide but should be written as NOX (Nitrogen Oxide),
2 not NO2.

3 Mr. Gross said that even though it was down 90 percent, is it producing 320 parts
4 per million (PPM) and then getting it down 90 percent from there. He wanted to
5 know what it also emits.

6 Adair indicated other particulates but they are some of the cleanest generators
7 anywhere. We will be glad to give him the numbers.

8 Mr. Nunn said he received a call on Tuesday, Oct. 20, from an unnamed resident on
9 Oakdale Woods regarding a non-working street light. The resident expressed
10 concern about coming home after work in the dark.

11 Mr Nunn said he thought it might have been the wife of the homeowner and he will
12 follow up and try to get the name of the concerned resident.

13 **3. Discussion and Action: Water & Sewer Divisions-Billing Issue-Colon.**

14 **Mr. Gessert made a motion to leave the water charge as is with 12**
15 **months to pay and waive the sewer charge. Mr. Nunn seconded the**
16 **motion.**

17 Michael Colon of 47 Staffordshire Commons in a letter to the PUC in September told
18 the Commissioners that he is a single person living in the home three weeks a
19 month when not traveling and questioned why his bill was so astronomically high
20 compared to the previous quarter. He said the meter tested OK and he has no
21 explanation for it. He said he doesn't see leaking faucets or toilets or stains from
22 water leaks and is at a loss for what seems like numbers (1855 gallons per day)
23 that would be consistent with the filling of a swimming pool.

24 Mr Beaumont asked if someone could be turning on an outside spigot. Mr. Colon
25 said the spigot is located inside the garage.

26 Mr. Gessert asked if this high bill pertained to water only or water and sewer. Mr.
27 Colon believed it was both and Mr. Beaumont confirmed this.

28 Mr. Phelen said a meter reading on May 7th was the first indication of a higher
29 reading. He said the customer was contacted on May 13th and a re-read was done in
30 case of a reading error. A letter was sent out on the 19th and got a call back on the
31 26th. The meter was removed and tested on June 1. The test was done and an 8
32 percent slow on low flow but 100 percent accurate, 99.9 percent accurate on
33 medium and high flow. No indication of an error. There was a significant increase in
34 daily consumption between Feb. 3, 2009 and May 7, 2009.

35 After contact with the customer it was noted consumption level dropped back down
36 to pre-event level and has remained down. Very difficult to advise customer where
37 water is being consumed but meter is accurate.

1 Mr. Dann said the pattern of water leakage could have been from a toilet and can
2 escalate until it is fixed. He said the toilet might have to be adjusted if it is
3 overflowing.

4 Mr. Phelan said the chain might be wrapping itself around the flapper which could
5 result in a loss of four to five gallons per minute and that Mr. Colon may be
6 unaware of this because he is away one week every month.

7 Mr. Gessert said he was fairly sure the water went through the meter.

8 **Mr. Gessert made a motion to leave the water charge as is with twelve**
9 **months to pay and waive the sewer charge.**

10 **Votes: Gessert - aye; Beaumont, Nunn - nay. Motion failed.**

11 **Mr. Gessert made a motion to allow twelve months to pay the June bill**
12 **only with no interest. All past due bills to be made current and all bills to**
13 **be kept current during this twelve-month period. Otherwise, interest**
14 **becomes due and payable. Mr. Nunn seconded the motion.**

15 **Votes: 3 ayes**

16 **4. Discussion and Action: Extension of the Existing Nucor Market Priced**
17 **Power Supply Agreements through December 31, 2009**

18 Mr. Adair told the Commission that the development update of this contract has
19 been in the works for a number of months and two prior extensions were granted.
20 As indicated in Oct 15th memo we received feedback to our May 8th proposal on Oct.
21 13th.

22 Nucor has requested an additional extension of the existing NUCOR/WED
23 Agreement through December 31, 2009. Nucor has determined that they do wish to
24 enter into new agreement with WED for market priced power supply. They
25 requested the extension so as to have additional time to finalize the draft language
26 of the new market-priced supply agreement.

27 Mr. Adair said the interim extensions of the existing WED/CMEEC and WED/NUCOR
28 market priced power supply agreements will expire on November 30, 2009 and he
29 does not believe there is sufficient time to finalize the draft contract and present it
30 to the PUC for action in advance of this date. Mr. Adair said staff can complete the
31 necessary updates to the contract document in time to present a finished draft to
32 the PUC prior to the end of this calendar year.

33 **Mr. Nunn made a motion to extend the Wallingford Electric**
34 **Division/CMEEC Power Supply Agreement through December 31, 2009.**
35 **Mr. Gessert seconded the motion.**

36 **Votes: 3 ayes**

37 **Mr. Gessert made a motion to extend the Wallingford Electric**
38 **Division/Nucor Steel Connecticut Power Supply Agreement through**
39 **December 31, 2009. Mr. Nunn seconded the motion.**

1 **Votes: 3 ayes**

2 **4. Review of Electric Division Disbursements for the Month of September**
3 **2009.**

4 Mr. Beaumont said there is a significant amount of funds going for clothing for the
5 people in the Electric Division.

6 Mr. Hendershot said the program was changed and we are on a fiscal year basis.
7 There is an agreement with IBEW of \$1,100 per person to spend as they wish. A
8 catalog was put together of approved vendors and items, styles, colors, etc. They
9 purchase as they wish, bring in the receipts and get re-imbursed. So you can see
10 amounts ranging from \$0 to \$1,100 per person. There are lesser and different
11 amounts for different classifications. We make sure the workers purchase what they
12 need to have for the jobsite with a program called "What to Wear When." This
13 avoids workers getting hurt because they did not wear the appropriate equipment
14 and coming back to the Town.

15 Mr. Gessert asked about item 3-25 regarding a towing charge for Plunke's Garage.

16 Mr. Gessert asked about Direct Energy Services on page 4-14. Mr. Hendershot said
17 it is related to natural gas for the generator on Oak Street.

18 **Mr. Gessert made a motion to approve the Electric Division Disbursements**
19 **for the Month of September 2009. Mr. Nunn seconded the motion.**

20 **Votes: 3 ayes**

21 **5. Review of Water/Sewer Division Disbursements for the Month of**
22 **September 2009.**

23 Mr. Beaumont asked about the end of 4-13 beginning of 4-14 "Outside Services-
24 Arbitration Services \$2,200.

25 Mr. Gessert asked about the Workers Compensation (Thomas) P 421, slip and fall
26 incident. The worker injured his neck. No indication when he will return to work.

27 **Mr. Gessert made a motion to approve the Water/Sewer Division**
28 **Disbursements for the Month of September 2009. Mr. Nunn seconded the**
29 **motion.**

30 **Votes: 3 ayes**

31 **6. Discussion and Action: Water Division – Budget Amendment –**
32 **Purchase/Grant – Hybrid Vehicle.**

33 Mr. Dann said next vehicle for the Water Division should be a hybrid sedan type
34 vehicle. He told an application was made to the DOT for a grant under the State's
35 Clean Fuel Program to replace an existing Sedan in the Division's fleet. The grant
36 application was approved by the State and Town Council will consider this at their
37 Oct. 27th meeting. He said since the grant funding a differential cost of the hybrid
38 vehicle were not included in the 09-10 proposed budget, it is necessary to amend

1 the budget by the amount of \$6,500 to reflect both the income from the grant and
2 the cost of the hybrid vehicle. Mr. Dann said this represents the maximum amount
3 of the anticipated price differential and grant based upon the vehicles for which the
4 grant was approved as noted on page 5-2.

5 Mr. Dann said the current vehicle gets approximately 20 mpg. The hybrid would get
6 in the range of 40 mpg. He hoped to get some reduction in the MSRP of the vehicle
7 cost. He noted a year ago, hybrids were selling over MSRP.

8 Mr. Beaumont asked about the battery life on the hybrid because he had heard
9 "horror stories" that battery replacement may cost several thousand dollars. He
10 said this was his major concern and maybe a diesel vehicle could be better.

11 Mr. Dann noted that since the vehicle would not be used heavily, it could be 10 or
12 15 years or 150,000 miles down the road before the battery needed to be replaced.

13 **Mr. Gessert made a motion to approve a budget amendment increasing**
14 **Accounts #433-9012-392 (Transportation Equipment) and #431-8960-**
15 **421 (Miscellaneous Non-Operating Revenue) by \$6,500.00. Mr. Nunn**
16 **seconded the motion.**

17 **Votes: 3 ayes**

18 **COMMITTEE REPORTS**

19 Mr. Dann reported that additional monies would be needed for interim repairs to
20 the underwater storage basin expansion joints. He said over the last few days there
21 had been a problem with the boiler leaking at the treatment plant resulting in it
22 having to be shut off. The funds needed to repair this would likely exceed the
23 funding we have for the boiler maintenance and might need a special meeting this
24 week to appropriate funds.

25 Mr. Dann said that he hoped to hold a meeting in advance of the Town Council
26 meeting, but it was possibly we could have enough in account to cover the repair
27 costs.

28 Mr. Beaumont indicated a meeting could take place possibly Thursday afternoon or
29 on Monday, Oct. 26th.

30 Mr. Gessert asked Mr. Adair about CMEEC Study of Private Day Rates. Mr. Adair said
31 he needs an update from CMEEC. He said he has not gotten Mr. Hendershots report
32 on this. He said a report would be prepared for the next PUC meeting.

33 Mr. Adair spoke about Cheshire Crossing and the State Plan of Conservation and
34 Development meeting with Cheshire on Monday, Oct. 19th. Mayor Dickenson
35 presented to OPM a request for an interim change. One of the pieces of property
36 affected, actually four parcels, include three residential addresses three lots and 60
37 acres in Cheshire called Cheshire Crossing Development. Mr. Adair said Wallingford's
38 request to the state included those areas as changing from conservation or
39 preservation to neighborhood conservation which allows water to our infrastructure.

1 Mr. Adair said the town of Cheshire passed resolutions through their Planning and
2 Zoning and Town Council opposing this change, expressing their concern about
3 control and/or use of the property and other issues which we don't understand. Mr.
4 Adair said the Mayor attended and made a presentation. Dan Morley from OPM was
5 there. Presentation well received. Cheshire Town Planner Bill Voelker made a
6 presentation as did a member of its' Planning and Zoning and Naugatuck Planning.
7 Number of questions asked by committee-issues came down to existence of
8 development and the recognition of that through change of definition. Cheshire
9 Planner's objection had to do with the definition in the state plan and criticism of
10 how it was put together. Mr. Adair said the timeline is that OPM makes its
11 recommendations to the Committee within 10 days of the Oct. 20th meeting. The
12 Committee renders its ruling within 30 days.

13 Mr. Nunn asked if there was a difference of opinion on how to handle this between
14 Cheshire and Wallingford and Mr. Adair said there was. Mr. Adair said it is out of
15 Wallingford's hands and it is up to the OPM to make the recommendations and the
16 committee to act. Whatever the OPM decides, the towns have to comply, there is no
17 appeal. Mr. Adair said the root of the problem with Cheshire is that changing the
18 map would water down Cheshires' Zoning Regulations or Watershed areas. In
19 Wallingford we do not believe that is the case.

20 Mr. Beaumont said there seems to be some confusion from what he has heard on
21 the part of the committee as to what the intent or what the issue was. They were
22 confused that this was for new construction.

23 **Mr. Nunn made a motion to adjourn the meeting. Mr. Gessert seconded**
24 **the motion.**

25 **Votes: 3 ayes**

26 The meeting was adjourned at 8:21 P.M.

27

28 Respectfully submitted,

Respectfully submitted,

29

30 Cynthia Kleist

Richard A. Nunn

31 Recording Secretary

PUC Secretary

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