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**DRAFT**

Public Utilities Commission  
Wallingford Water and Sewer Division  
377 South Cherry Street  
Wallingford CT, 06492

Sept. 21, 2010  
6:30 p.m.

**PRESENT:** Chairman Robert Beaumont; Commissioners David Gessert and Richard Nunn; Director George Adair; Electric Division Office Manager Thomas Sullivan; Water and Sewer Divisions General Manager Roger Dann; Water and Sewer Divisions Office Manager William Phelen; Sharon Emmons Customer Relations Supervisor; Cynthia Kleist Recording Secretary.

- 1. Discussion and Action: Approval of PUC Meeting Minutes of September 7, 2010. Mr. Nunn made a motion to approve the meeting minutes of September 7, 2010 with the following corrections. Mr. Gessert seconded the motion.**

On page 2, line 5, Mr. Dann volume should be "8,300 cu. ft not 83,000 cu. ft. On page 5, line 2, Mr. Adair said the word "zoning" should be added in front of the word "changes."

On page 6, line 19, Mr. Adair said the word "new" should be added in front of the word "feature."

**Vote: 3 ayes.**

- 2. Discussion and Action: Approval of the Director's Report for the Month of July 2010. Mr. Gessert made a motion to approve the Director's Report for the Month of July, 2010. Mr. Nunn seconded the motion.**

**ALL DIVISIONS**

Mr. Adair said we have received another conversion and the long awaited lean mod. Mr. Beaumont asked if this was the first time we have seen the lean mod. Mr. Phelen said it was the first time we have been able to generate an actual document and get through the process as far as we have. He said we have seen a process up to a certain point but not a full fledged process.

Mr. Adair said we are still poking at the payment allocation mod. He said at this point the Nov 15<sup>th</sup> date for "Go Live" is still viable and possible. He said there has been substantial progress over the past six months and progress is continuing. Mr. Beaumont asked about outstanding issues and whether there has been a reduction in the raw numbers.

1 Mr. Phelen said we are down to approximately 42. He said we have submitted several  
2 issues the past week that were pertinent to specific aspects of the software, notably bill  
3 prints. Mr. Adair said surprisingly the bill print side was due to be delivered months ago,  
4 and still is not right. He said some of the issues involve graphing of customer use, the  
5 way things are displayed on the bill.

6 Mr. Adair said the idea is to get to hard parallel and in that mode you don't want a lot of  
7 changes made to the software through the fixes being made to the lower priority items  
8 which tend to move them to post "Go Live" which may require some further  
9 representation on the part of the vendor as far as guaranteeing it will ever get done.

10  
11 He said his staff has done yeoman work beyond anyone's imagining on the scale of  
12 testing that would ever be required. Mr. Beaumont asked if we know how many hours  
13 have been put in on this project. Mr. Adair said we have identified and documented  
14 1,093 items.

15 Mr. Adair said the second undertaking which continues and is another one of our  
16 frustrations is the combined meter readings. He said there is a meeting in mid October  
17 to touch base. Mr. Beaumont said the software has to be up and running to begin with.  
18 Mr. Adair said "Go Live" is the key to everything.

19 Continuing with his report, Mr. Adair said on the electric side, there was a substantial  
20 increase, with some very high peaks in demands set in July. He said there was a big  
21 increase from last year in both energy and KW (kilowatt) demand. System input for July  
22 totaled 64,032 MWHrs., an increase of 14.3 percent compared to July 2009. Maximum  
23 system demand occurred on July 6 at 135.238 MW, an increase of 16.2 percent from the  
24 July 2009 peak.

25 Mr. Adair said under Home Energy Savings (HES), 33 residences were analyzed and  
26 measures installed. He said a storm response drill was conducted in July and again in  
27 August with respect to Earl which turned out to be more of a dress rehearsal than an  
28 actual event.

29  
30 **WATER**

31  
32 Mr. Adair said July was a strong month compared to 2009 which was one of the wettest  
33 years on record. He said water production for July 2010 was up totaling 179.4 million  
34 gallons, an increase of 32.9 percent from July 2009.

35  
36 **WASTEWATER DIVISION**

37  
38 Mr. Adair said July's average nitrogen discharge was 292 pounds per day, below the  
39 target maximum of 307 pounds per day and slightly lower than the July 2009 discharge  
40 average of 405 pounds per day. He said year to date nitrogen discharge average is 513  
41 pounds per day vs. 422 pounds per day for the same period last year.

42 Mr. Beaumont said there seems to be a major disconnect between water production and  
43 sewer inflow. Mr. Dann said this is the extent of the variation the weather can cause. He  
44 said last year was very wet. He said when it is very wet, you get no irrigation customers  
45 and reduced outdoor consumption and a much higher flow going into the waste water  
46 treatment plant. He said this is the opposite, this was a dry period so there is much  
47 more outdoor use and very little I/I getting into the sewer collection system. Mr. Adair  
48 said there is almost 5.8 million gallons a day of production, and 3.76 MGD at the plant.

1 Mr. Dann said this type of swing reinforces the role precipitation and I/I plays for the  
2 sewer division.  
3 The Commissioners asked that under "Wastewater Division" in the second paragraph,  
4 the word "slightly" be changed to "significant."  
5

6 **Vote: 3 ayes.**  
7

8 **3. Discussion and Action: Approval of the Director's Report for the Month**  
9 **of August, 2010. Mr. Nunn made a motion to approve the Director's**  
10 **Report for the Month of August, 2010. Mr. Gessert seconded the**  
11 **motion.**  
12

13 Mr. Adair said for August there was a decrease in sales and peak demand as opposed to  
14 last year. He said fourth quarter sales for the period ending in June, were higher than  
15 for the previous years. He said for the fiscal year, slightly so and somewhat below  
16 budget.

17 The operating revenues were up for the fourth quarter, commensurate with volume, and  
18 the operating revenue was up by a greater percentage than the volume for the whole  
19 fiscal year, partly due to a rate increase which would have taken place November 1  
20 coming into that period.

21 He said for the fiscal year, we took a look at the difference between gross revenues and  
22 purchase power costs and it was virtually on target with the budget. Mr. Adair said net  
23 income for electric was a little over \$1.9 million for the year vs. a budget of \$319,000,  
24 about a \$736,000 actual for the previous year. He said this is reflective of a somewhat  
25 higher selling price based on rates, effective PCA and also lower operating expenses.  
26

27 Mr. Adair said the customer survey initiative under the Smart Grid work had begun. He  
28 said there were a few minor issues with the deliverables to date report. He said he has  
29 asked for corrections and clarifications. Under the 50 in 5 project there were nine units  
30 online and six more that are installed and undergoing testing, with an anticipated on-line  
31 date of October.  
32

33 **WATER DIVISION**  
34

35 Mr. Adair said water production was up in August substantially from the same period last  
36 year. He said the fourth quarter results year to year are up 4 1/2 percent. For the fiscal  
37 year, it was 5 percent less than the previous year. He said fourth quarter revenues were  
38 down nearly 9 percent, whereas bill consumption was up 4 1/2 percent. Mr. Phelen said  
39 for financial statement purposes, the divisions include in their revenue numbers a  
40 component called unbilled revenue. He said this changes from year to year and from  
41 month to month based on approved consumption numbers and estimated consumption  
42 numbers for a certain period of time throughout the year. He said once the budget is  
43 adopted in April or May, and we have approved consumption numbers for next year's  
44 budget, we adjust those unbilled revenue numbers to reflect whatever the consumption  
45 numbers are that we are going to bill. Mr. Phelen said when we do that, it then modifies  
46 previous months of unbilled revenue numbers.  
47

1 Mr. Adair said our unit selling price has not gone down, in fact it has gone up. He said  
2 the bill consumption, 5 percent less than the previous year, is still selling at a higher  
3 price per unit than it was a year ago but we are still going to come in under budget  
4 estimate for revenue as well as bill volume. Mr. Dann said the budgeted consumption for  
5 this fiscal year was substantially below the budgeted consumption for the previous fiscal  
6 year.

7 Mr. Adair said for the month vs. last year again, there was a 21 percent uptick in water  
8 production and anticipated sales. He said reservoir storage is one of the lower numbers  
9 he has seen, probably with the draw down of the MacKenzie Reservoir.

10 Mr. Dann said we will need to watch through this month (September), because it may  
11 be that it gets low enough where we may have to talk about voluntary conservation.

12 Mr. Adair said for the wastewater treatment plant, with very low rainfall there were very  
13 low flow rates at the plant and decent nitrogen numbers.

14  
15 Regarding financials, Mr. Adair said there are some differences in the customer base  
16 which drive this. He said in terms of bill consumption, it is somewhat higher than last  
17 year but lower in the fiscal year for total and below the budget estimate for this year. He  
18 said the operating revenues are higher than for the same period last fiscal year, 3.8  
19 percent below the budget estimate.

20  
21 Mr. Beaumont said that as noted last month, the posting for the position of Distribution  
22 Engineer closed on June 30. He said as of September 8 he wanted to know why we  
23 were still waiting for a list of candidates from Personnel. Mr. Adair said he could not tell  
24 the Commission details of what was going on and he would have to let them know. Mr.  
25 Beaumont said 70 days had passed since the closing date, and he said he did not want  
26 to hear about someone being on vacation. He said it was unbelievable.

27  
28 On Page 3-23, "Capital Carry Forwards," looking at 2006-2007, 2007-2008, Mr.  
29 Beaumont asked about the amount of money that is outstanding. He said what it comes  
30 down to in his mind is do we really need some of this stuff at this point. Mr. Adair said  
31 he and Mr. Hendershot had discussed the Capital Carry Forwards. Mr. Sullivan said the  
32 Capital Carry Forwards were reviewed included the 2010 year. He said just under \$2.1  
33 million is being carried forward in total into the current fiscal year. Mr. Adair said about  
34 \$1 million of that was for previous years. Mr. Sullivan said in speaking with the software  
35 engineer, there have been a number of things that have fallen behind because of the  
36 lack of an engineering staff over the last year.

37  
38 On Page 3-109, Mr. Beaumont commented on the major difference he saw between  
39 budget and actual net income (water division). Mr. Adair said sewer was less of a  
40 negative but they are both stated as positive numbers. He said on p 3-116, it shows we  
41 are \$283,000 "better off" as it were, less negative than we thought we would be. He  
42 said relative to the water division where we are \$327,000 less net income, he said that  
43 is not a bracketed number.

44 Mr. Phelen said we made this formatting change a number of months ago to show a  
45 variance vs. an over/under budget number, an absolute value.

46  
47 **Vote: 3 ayes.**

48

1 **PUBLIC QUESTION AND ANSWER PERIOD**

2  
3 No Public Comments

4  
5 **ELECTRIC**

6  
7 **4. Discussion and Action: Electric Division – Approval of Write-offs**  
8 **Uncollectible Accounts – FY ending 6/30/10. Mr. Nunn made a motion**  
9 **to approve same. Mr. Gessert seconded the motion.**

10  
11 Mr. Adair these are essentially write-offs for fiscal year 08-09 as they will be recognized  
12 in the soon to be closed out 09-10 fiscal year. He said activity is under way to try to  
13 attempt to mitigate and control these numbers for the 10/11 fiscal year. Mr. Beaumont  
14 asked how the \$229,254.48 in write-offs for uncollectible accounts compare to what it  
15 has been over the past three years. Mr. Sullivan said it has risen. He said last year we  
16 were writing off just under \$193,000 which included miscellaneous receivables. He said  
17 this year the total is \$231,000 which includes miscellaneous receivables. The electric  
18 write-offs total \$229,254.48. He said some of the rise can be blamed on the rising rates.  
19 He said the past few years we have gotten the law department involved.  
20 He said one of the items under "Miscellaneous Receivables" we received a check the  
21 other day. Mr. Sullivan said one of the numbers we have seen is the "medical claims"  
22 issue for \$14,000. He said we are seeing more and more of this situation where  
23 someone declares themselves in a life threatening condition which prohibits us from  
24 shutting off 12 months of the year.

25  
26 Ms. Emmons said one thing we are entertaining and one we are doing is sending letters  
27 out to the medical hardship customers explaining that even though they are protected  
28 from having their service interrupted, it doesn't mean they shouldn't be looking at these  
29 bills and paying them and that small claims court is an option for us to try to collect this  
30 money if they don't perform. She said the letters were worded in a non-threatening way  
31 and yet we delivered the message. She said we have gotten some response from  
32 customers who have made payment arrangements and have started performing to pay  
33 their debt. Ms. Emmons said she is also looking at the change in the language on the  
34 letters to the physicians so they fully understand the ramifications of giving this status to  
35 customers which some interpret as not having to pay their bill.  
36 She said there is a lot of money out there we will not be able to collect, so it will just  
37 continue to build up.

38  
39 Mr. Gessert asked how some residential accounts could get up to \$2,400. Mr. Sullivan  
40 said there was a change in the deposit policy in 2007, it was changed to be the three  
41 highest consecutives. He said that will help us going forward. Ms. Emmons said she  
42 looked at all of the accounts that were over \$900, and for the residential had no deposit,  
43 a \$65 deposit or a \$100 deposit. She said had there been a more appropriate deposit in  
44 place according to today's policy, some of these customers would have a \$600, or a  
45 \$700 deposit. She said this is what she hopes will begin to happen. She said the  
46 problem is that they still have small deposits and we can't go back or we don't go back  
47 and increase those deposits unless they "final bill" and then we can start a new account.

1 Mr. Adair said we have not chosen to date after the fact to go back and ask for more  
2 money from existing customers.

3  
4 Mr. Gessert asked if we have ever considered turning these accounts over to a collection  
5 agency or selling these accounts as the City of New Haven did with their tax bills. Mr.  
6 Sullivan said years ago the Department had a collection agency. He said the problem  
7 started in trying to set it up in a non standard way. He said most collection agencies will  
8 take your debt and a 33 percent cut and send you the difference. He said when we set  
9 up the specifications a number of years ago, we received no bidders. Mr. Adair said  
10 under the current billing software, the deposit on residential we've got close to a 120  
11 day ultimate exposure and a 90 day deposit. He said with the new billing software that  
12 shortens that up to a three and a half month exposure. Mr. Sullivan said that with  
13 residential, it has been the practice to shut off with two bills outstanding. He said on  
14 commercial accounts, the process begins when the bill is 30 days old.

15  
16 **Vote: 3 ayes.**

17  
18 **5. Discussion and Action: Electric Division – Budget Transfer –**  
19 **Uncollectible Accounts Expense. Mr. Gessert made a motion to transfer**  
20 **\$71,451 from Acct. 903 to 904. Mr. Nunn seconded the motion.**  
21

22 Mr. Sullivan said the transfer amount needed is slightly larger than the increase in the  
23 write off amount we have been talking about. He said this is because this account 904  
24 also funds a reserve that has been set up for uncollectibles at the end of the year, to  
25 recognize what is on the books which is expected to be uncollectible. He said our  
26 current method is an average over the last few years and the uncollectible allowance in  
27 addition to the write-off increase which hit 904, the allowance is based on that formula  
28 since we have rising write-offs, this is why the allowance has also risen and why the  
29 transfer is more than \$36,000.

30  
31 **Vote: 3 ayes.**

32  
33 **6. Review of Electric Division Disbursements for the Month of July 2010.**  
34 **Mr. Gessert made a motion to approve the Electric Division**  
35 **Disbursements for the Month of July 2010. Mr. Nunn seconded the**  
36 **motion.**  
37

38 Mr. Beaumont asked how far in arrears we were pertaining to worker's compensation  
39 payments. He said he was surprised to see the one back in May and noted by the time it  
40 got paid, would be two months old. Mr. Sullivan said they are being paid up front. He  
41 said we deduct that from their current weeks' paycheck. Mr. Phelen said the worker's  
42 compensation commission awards the monetary amount and then it is administered  
43 through the risk manager's office and that could take several months before that  
44 paperwork is completed.

45 On page 6-2 under Ct Municipal Electric Co-operative, (CMEEC) Mr. Beaumont asked  
46 about "Consulting/DSL" and wanted to know if the DSL was for diesel. Mr. Sullivan said  
47 it is high speed internet. Mr. Adair said he would research and get back to the  
48 Commission. He said this has been in place since 2006.

1 On page 6-4, under "Non Current Liabilities Unclaimed Properties Re-issued," Mr.  
2 Beaumont asked if these were lost checks. Mr. Sullivan said the Department used to cut  
3 their own checks but then the Finance Department took over. He said they took  
4 \$200,000 out of our bank accounts and informed us of all these outstanding checks they  
5 dumped back on us. Mr. Sullivan explained this is not just one years worth we are  
6 looking at.

7 On page 6-7, "Bowe, Bell and Howell" Mr. Sullivan explained this was maintenance for  
8 the inserting and the mailing equipment.

9  
10 **Vote: 3 ayes.**

11  
12 **7. Review of Electric Division Disbursements for the Month of August**  
13 **2010. Mr. Gessert made a motion to approve the Electric Division**  
14 **Disbursements for the Month of August 2010. Mr. Nunn seconded the**  
15 **motion.**

16  
17 On page 7-5, Mr. Beaumont asked about "Maintenance of Overhead Lines, B&H Photo."  
18 Mr. Adair said these were for the purchase of several cameras as documentation for  
19 storm claims.

20 On page 7-8, "Plunsk's Garage vehicle towing" Mr. Sullivan said he would have to look  
21 that item up.

22 Page 7-36, WPCS "Panasonic Dome Camera." Mr. Sullivan said we did purchase one for  
23 customer service that may have been swapped out.

24  
25 **Vote: 3 ayes.**

26  
27 **8. Review of Water/Sewer Division Disbursements for the Month of July**  
28 **2010. Mr. Nunn made a motion to approve Water/Sewer Division**  
29 **Disbursements for the Month of July 2010. Mr. Gessert seconded the**  
30 **motion.**

31  
32 Mr. Beaumont asked about "TT." Mr. Phelen said this meant "Temporary Total" with cost  
33 of living. Mr. Dann explained that if you are injured, unless there is an agreement that  
34 closes it out, that injury stays with the employer forever. He said if it re-occurs, you are  
35 again going to pay for the medical costs associated with the original injury.

36  
37 **Vote: 3 ayes.**

38  
39 **9. Review of Water/Sewer Division Disbursements for the Month of**  
40 **August 2010. Mr. Gessert made a motion to approve the Water/Sewer**  
41 **Division Disbursements for the Month of August 2010. Mr. Nunn**  
42 **seconded the motion.**

43  
44 Mr. Beaumont asked about "B Bioxide." Mr. Dann said this is a chemical used for odor  
45 control.

46  
47 **Vote: 3 ayes.**

1           **10. Discussion and Action: Water Division – Third Amendment to**  
2           **Intermunicipal Agreement – 1070 North Farms Road, LLC. Mr. Gessert**  
3           **made a motion to approve the Third Amendment to the Intermunicipal**  
4           **Agreement – 1070 North Farms Road, LLC. Mr. Nunn seconded the**  
5           **motion.**  
6

7           Mr. Dann explained there was an agreement originally which allowed for the servicing of  
8           initially one or two lots of this subdivision from Meriden's water supply. He said that  
9           subsequently, the agreement was amended to allow for service to be extended to the  
10          entire seven lot subdivision. In this particular case, Mr. Dann explained that one of the  
11          lots is proposed to be developed with a use which requires a little above normal fire  
12          protection. He said this can be served initially by Meriden directly from their system. He  
13          said they have the combination of volume and pressure to accommodate this sprinkler  
14          system. However if they in the future, would be connected to our system, we have  
15          recapture rights under these agreements, and they could not obtain the service from  
16          our system that they need without installing a booster pump. He said the request here  
17          was to be allowed to defer the installation of the booster pump until such time the town  
18          of Wallingford recaptures that portion of the system, and we do not know when this  
19          would happen. Mr. Dann said it doesn't make a lot of sense to put in a pump you do not  
20          need today and try to maintain and operate that when it is not needed. He said it makes  
21          a lot more sense to put the pump in when it is needed, and at that time who is to say  
22          the same tenant with the same fire load will exist. He said this agreement essentially  
23          deals with the terms under which the fire pump installation is deferred, provided we are  
24          guaranteed that when we get ready to recapture with notice, that system goes in and  
25          the owner of the property pays for it and has to meet our design criteria.

26  
27          **Vote: 3 ayes.**  
28

29           **11. Discussion and Action: Water Division – Request for Bid Waiver –**  
30           **AECOM. Mr. Gessert made a motion to request the Bid Waiver for**  
31           **AECOM. Mr. Nunn seconded the motion.**  
32

33          Mr. Dann explained this is simply a request for a bid waiver to allow us to contract with  
34          this vendor without going through the bidding process. He said the Water Division had  
35          been contacted by the City of Meriden and the CT Department of Environmental  
36          Protection with respect to the continued operation of the Sawmill Well by Meriden. The  
37          Sawmill well is an interceptor well to capture potential contaminants from the Meriden  
38          landfill in order to protect water quality in the aquifer from which the Wallingford No. 2  
39          production well draws its water. He said based on a review of the operating data for the  
40          Sawmill well and other monitoring wells in the vicinity of the Meriden landfill by Fuss &  
41          O'Neill on behalf of Meriden, a recommendation had been made to the DEP that the  
42          Sawmill well be shut down. The DEP requested Wallingford's input regarding this  
43          proposal. Mr. Dann said an independent hydrogeological review of the aquifer, historical  
44          operating data and proposed monitoring plan in order to evaluate what is in the best  
45          interests of the Water Division needs to be done. He said the Division has contacted the  
46          person who performed the Level A mapping for the Division's wellfields. The Level L  
47          mapping was performed by the firm of Atlantic Geoscience which has been acquired by  
48          AECOM. Mr. Dann said the Division seeks to use their expertise to perform the

1 evaluation. The cost based on a quote from AECOM, will range from \$8,150 to \$11,000  
2 depending upon the number of meetings required.

3  
4 **Vote: 3 ayes.**

5  
6 **PUC**

7  
8 **12. COMMITTEE REPORTS**

9  
10 Mr. Adair said he and Mr. Dann met with one of our representatives and representatives  
11 from CWWA regarding stream flow regulations. Mr. Adair said we were pleased to  
12 provide this input. He said the Mayor is requesting a letter be sent to our other  
13 representatives and Sen. Fasano to indicate our request that those regulations be  
14 rejected and the process be carried out in a manner we requested.  
15 Mr. Adair said on Monday, Sept. 27, 2010 he will be meeting at 7 p.m. with the Planning  
16 and Zoning Commission to participate in a workshop. He said there are two topics of  
17 interest to this body, our request of July 7 to delineate on the zoning map for  
18 Wallingford and Meriden, the watershed areas for Regional Water and the I-5 Zone and  
19 possible changes to that. He said the public hearing and action will take place October  
20 13, 2010.

21  
22 **13. Correspondence – None.**

23  
24 **14. Adjourn to Executive Session Pursuant to CGS Sections 1-225 (f) and**  
25 **1-200 (6) (a) Pertaining to the Performance and Evaluation of the**  
26 **Director of Public Utilities. Mr. Gessert made a motion to take a five**  
27 **minute recess before moving to Executive Session. Mr. Nunn seconded**  
28 **the motion. The recess took place at 8:40 p.m.**

29  
30  
31 **Vote: 3 ayes.**

32  
33 Respectfully submitted,

34  
35 Cynthia A. Kleist  
36 Recording Secretary

Respectfully submitted,

Richard Nunn,  
Secretary.