

1 **DRAFT**

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Public Utilities Commission

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Wallingford Water and Sewer Divisions

4

377 South Cherry Street

5

Wallingford, CT. 06492

6

Tuesday, January 5, 2010

7

6:30 p.m.

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- 1. Discussion and Action: Approval of PUC meeting minutes of December 8, 2009. Mr. Nunn made a motion to approve the minutes of December 8, 2009 PUC meeting. The motion was seconded by Mr. Gessert.**

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Mr. Gessert noted that on Page 7, line 23, change from "across or" to "across to."

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Page 2, line 2, Director's Report motion was seconded by Mr. Nunn not Mr. Beaumont.

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Mr. Beaumont noted that it was Richard "Gee" not the letter "G."

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Vote: 3 ayes.

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- 2. Discussion and Action: Approval of the Director's Report for the month of November, 2009.**

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Mr. Gessert made a motion to approve the Director's Report for the month of November, 2009. The motion was seconded by Mr. Nunn.

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Mr. Adair told the Commissioners that the "Go Live" billing software conversion originally set for February 15, 2010 was no longer a feasible date. He said a letter is being prepared for Advanced Utilities to indicate that subject to their delivering all of the items marked as "critical," to the team for their testing presumably by the end of January, there remain 199 ServiceWise items to be resolved. Mr. Adair said that Advanced has completed two of the six software modifications that are necessary to proceed with the Hard Parallel phase of the software implementation.

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Mr. Beaumont asked if there was an estimate time or date of completion on the mods.

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Mr. Adair said he did not have this information as pertains to each one (of the mods).

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The target date the team has set is March 1 to start hard parallel, a four week duration,

1 subject to the process having to be stopped and restarted if there are still major issues
2 to be discovered. Before it can begin, all 80 some odd critical items and the mods have
3 to be delivered successfully. That still leaves about 80 items to tackle before "Go Live"
4 can commence. This would put the "Go Live" schedule into the end of March, first part
5 of April which Mr. Adair said was an "aggressive" schedule.

6 In answer to Mr. Gessert's question, Mr. Adair acknowledged that Advanced Utilities did
7 not dispute or explain away concerns regarding their performance.

8 Mr. Nunn asked if there could be re-numeration for shoddy or faulty service on this
9 project.

10 Mr. Adair said the way to do that would be that if a component was not delivered, it did
11 not work, we wouldn't pay for it. He said there are no provisions in the contract for
12 recovering costs for staff time and expenditures. He added there were no late
13 performance penalty or provisions for a bonus in the contract.

14 **ELECTRIC**

15 Mr. Adair noted that system input for November 2009 totaled 45,000 MWHrs., a
16 decrease of 5 percent compared to November 2008. Maximum system demand occurred
17 on November 12 at 90.926 MW, an increase of 4.7 percent from the November 2008
18 peak.

19 He added there were no major events on the system. He added that the windstorm on
20 Dec. 29, 2009 resulted in about five or six incidents and there was only one customer
21 who suffered a primary outage.

22 Mr. Nunn noted that it would be important to tout not only the savings the customers
23 realize, but the service and the lack of outages.

24 Mr. Gessert said we have seen positive responses in the newsletter about the service.

25 Mr. Beaumont noted the lack of outages is due in part to a very proactive trimming
26 program.

27 Mr. Adair spoke about the Home Energy Savings program, noting that 69 residences
28 were analyzed and measures installed. Large HVAC, Air Compressors: one project was
29 completed, with an incentive payment of \$29,556.

30 Under CoolChoice, there were three installations for a total of 35.5 tons of higher
31 efficiency HVAC equipment, receiving \$8,800 in rebates. The Electric Division staff also
32 successfully completed the replacement of the 115kV circuit breaker at the North
33 Wallingford substation.

1 **WATER**

2 Mr. Adair told the Commissioners that water production for November, 2009 totaled 104.67
3 million gallons, a decrease of 11.37 percent from November, 2008. Reservoir storage at
4 months' end was 80 percent of total effective impoundment vs 82 percent historical average for
5 this period. Rainfall year-to-date was 48.4 inches, eight percent above the historical average for
6 this period.

7 The MacKenzie Reservoir sediment removal project continued through November, with
8 approximately 100,000 yards, or 85 percent of the total estimated removal completed through
9 months end.

10 **SEWER**

11 The average daily flow at the Wastewater Treatment Plant during November was 6.15 million
12 gallons, an increase of 6 percent from November 2008. The Divisions contractor, National Water
13 Main, rehabilitated 24 manholes with a spincast cementitious lining. Mr. Adair said this work
14 addressed for this year, 2009, the list of known leaking manholes.

15 On page 101, Mr. Gessert asked about the cost of using a Geothermal Heat Pump for the
16 garage vs putting in an old furnace and using motor oil that can be obtained for free. Mr. Dann
17 said the advantage of going with Geothermal is that the town may be able to qualify for money
18 through the Clean Energy Fund which will make the payback very attractive; no gas is being
19 purchased and there is a much more stable heating/cooling source in the groundwater loop
20 than with a conventional heat pump.

21 Mr. Dann said that we have indicated to the architect that we want to proceed with the
22 Geothermal Heat Pump system, not just for the garage, which will be minimally heated, and
23 probably will have a separate heating system because we were not intending to use the
24 Geothermal heating system just for the garage itself. Mr. Dann explained the Geothermal
25 heating system would be more for the office type facilities than for the garage.

26 Mr. Dann said there are two basic configurations for Geothermal heating: a continuous loop
27 system which is being considered; the other would be to extract groundwater and do it on a
28 once through pass through basis. He said we are basically taking a fluid, not water which
29 freezes, and passing it through a series of vertical wells. You have to provide a certain length of
30 pipe through the ground to capture the heat and that determines the footage of well that has to
31 be installed for it to work.

32 Mr. Dann said it appears the Clean Energy Fund will be contributing \$2,000 per ton towards the
33 cost of this project which makes it very attractive. Mr. Dann said he hopes to go out to bid
34 before the budget cycle and while the projects are still coming in 10 to 15 percent under.

1 Mr. Beaumont asked about water revenues on Page 107 being 5 percent behind schedule and
2 expenditures being 6 percent behind schedule resulting in net income being up by one point.

3 Mr. Phelen explained these figures are through November, 2009 and there are also December,
4 2009 figures that are not very encouraging.

5 Mr. Adair spoke about appropriations to cash on Page 108 is the bottom line of where this all
6 leads to-none for this month because it is an interim period.

7 Mr. Phelen explained those figures are also misleading when looked at on an interim basis
8 because of all the capital projects we have expended money on.

9 Mr. Gessert asked about monthly billing and whether the major industrial customers could be
10 put on this cycle to help our cash flow.

11 Mr. Dann said we could bill monthly based on the quarterly reads we had assembled during any
12 given month. We could shorten the cycle between read and bill.

13 **Vote: 3 ayes.**

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15 **PUBLIC QUESTION AND ANSWER PERIOD**

16 No members of the public were present.

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18 **3. Discussion and Action: Sewer Division-Budget Transfer-Boiler Repair.**

19 Motion to approve an increase of \$4,000 to account #461-8640-651 (Maintenance of Structures
20 & Improvements-Plant) through a corresponding decrease to account #461-8640-641
21 (Chemical Expenses).

22 **A motion to approve the increase was made by Mr. Nunn and seconded by Mr.**
23 **Gessert.**

24 Mr. Dann explained during routine maintenance we discovered a valve that needed to be
25 replaced. Internal corrosion also made it necessary to replace the piping as explained on Pages
26 3-1 and 3-2. Other repairs and improvements are also being made. This work will exceed what
27 is budgeted so that is the reason for the transfer request.

28 **Vote: 3 ayes.**

1 **4. Review of Water/Sewer Division Disbursements for the Month of November,**
2 **2009.**

3 **Mr. Gessert made the motion to approve the Water/Sewer Division**
4 **Disbursements for the Month of November, 2009. Mr. Nunn seconded the**
5 **motion.**

6 On Page 4-5, answering Mr. Gessert's question regarding "Lazarus & Sargeant, Ltd.,"
7 explained this \$11, 922.75 figure was for architect design services for the garage.

8 Mr. Beaumont, on Page 4-8, asked about the "Hello Direct" office furniture and equipment
9 expense for \$554.95. Mr. Dann explained this was the replacement of a component of the
10 telephone system at the Water Treatment plant.

11 On Page 4-9, Mr. Beaumont asked about "Premier Laboratory" unregulated contaminant
12 monitoring for \$700, Mr. Dann explained this was a list of compounds the EPA has identified
13 for potential future regulation. Because of our selection as one of the utilities to go through
14 the unregulated monitoring phase, Mr. Dann said we need to report the results several
15 times and that is utilized by the EPA in evaluating the overall occurrence of these compounds
16 nationally and is part of their procedure on whether to regulate or not.

17 On Page 4-11, Mr. Beaumont asked about "Telespan" ADIX vs Executive Starter Program
18 for \$3,123.39. Mr. Dann said he believed it was part of the "Hello Direct" phone system.

19 Mr. Beaumont also asked on Page 4-21 "Gordon Cheverolet". Mr. Dann said this was for the
20 purchase of a pair of pickup trucks.

21 Page 4-22: "Walter Makowski" \$7.21 sewer usage. Mr. Dann said these types of payments
22 are usually for overpayments on an account.

23 **Vote: 3 ayes.**

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25 **5. Discussion and Action: Electric Division-Home Energy Savings Policy E-3.**

26 **The motion to approve the policy retroactive to December 8, 2009 was made**
27 **by Mr. Gessert and seconded by Mr. Nunn.**

28 Mr. Beaumont explained that a vote was taken but no motion was not made at the
29 December, 2009 meeting.

30 **Vote: 3 ayes.**

31 Mr. Phelen left the meeting at 7:44 p.m.

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2 **6. Discussion and Action: Electric Division-Resolution-CMEEC Board of Directors**
3 **Appointments.**

4 **Mr. Gessert made a motion approving the resolution hereby appointing George**
5 **Adair to the Board of Directors of CMEEC for a term of three (3) years, effective**
6 **January 1, 2010 through December 31, 2012 and Commissioner David A. Gessert**
7 **to serve as Representative on the Board of Directors of CMEEC for a term of one**
8 **(1) year effective January 1, 2010, expiring December 31, 2010.**

9 **The resolution also appoints Commissioners Robert N. Beaumont and Richard A.**
10 **Nunn to serve as Alternate Representatives of the Town of Wallingford, Board of**
11 **Public Utilities Commissioners to the CMEEC Board of Directors for a term**
12 **effective January 1, 2010, expiring December 31, 2010. Mr. Nunn seconded the**
13 **motion.**

14 **Vote: 3 ayes.**

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16 **7. Discussion and Action: Electric Division-Resolution-Retirement of Cecilia**
17 **Malin.**

18 **The motion to table this resolution to the January 19, 2010 meeting was**
19 **made by Mr. Gessert and seconded by Mr. Nunn.**

20 **8. Discussion and Action: Electric Division-Connecticut Energy Assistance**
21 **Program (CEAP) and Contingency Heating Assistance Program (CHAP)**
22 **Participation 2009/10.**

23 **Mr. Gessert moved to approve participation in CEAP and CHAP for 09/10. Mr.**
24 **Nunn seconded the motion.**

25 **Vote: 3 ayes.**

26 **9. Review of Electric Division Disbursements for the Month of November, 2009.**

27 **The motion to approve the Electric Division Disbursements for the month of**
28 **November, 2009 was made by Mr. Gessert and seconded by Mr. Nunn.**

29 **On Page 9-17, Mr. Beaumont asked how often American Rigging Crane Services is used.**
30 **Mr. Hendershot said the crane service is not used that often, on average once or twice a**

1 year tops. He said in this particular case, the crane was used to pick up a old circuit
2 breaker at North Wallingford and setting the new one down.

3 Mr. Beaumont asked about an item on Page 9-23, "Stewart Staffing Support Service" for HP
4 internal drive. Mr. Hendershot said this was a purchase the DP staff would have handled.

5 On Page 9-29, Mr. Gessert asked about a \$38,000 expenditure under Northern Pacific. Mr.
6 Hendershot said it was for the purchase of poles.

7 **Vote: 3 ayes.**

8 **10. Correspondence**

9 Mr. Adair spoke briefly about a request by the PUC to the Office of Policy and
10 Management, (OPM), to resume discussions regarding the Plan of Conservation service
11 area map. Mr. Adair said our intention is to wind up with a change to the existing policy
12 which would change the language to indicate instead of basically staying out of the
13 green areas, the ability to extend mains within the service areas.

14 Mr. Adair said he met on Tuesday, January 5, 2010 with the Connecticut Water Works
15 Association on the subject of stream flow regulations put forth by DEP. He said a public
16 hearing is scheduled for January 21, 2010 with a closing date for written comments on
17 February 4, 2010. Mr. Adair said the purpose of the meeting was to gather reactions
18 from the water companies on the proposed regulations and the estimated impact of
19 those regulations. He said the he has retained the services of Milone and MacBroom to
20 conduct a safe yield analysis based on their understanding of the regulations. A
21 preliminary report is due on Friday, January 8, 2010.

22 Mr. Nunn asked about calendar dates for upcoming Budget sessions. Mr. Adair said a
23 draft budget would be sent to the PUC Commission by February 11, 2010 with a
24 workshop scheduled for February 24, 2010.

25 Mr. Hendershot distributed a final report from NexGen which has been performing the
26 energy audits at the school buildings. He said this was their final report on their initial
27 findings and what they recommended the school board consider as fast track measures.
28 Mr. Hendershot said it was \$1.3 million worth of work with a cumulative payback of 2.7
29 years.

30 Mr. Adair commented that he believed it was money well spent.

31 Mr. Beaumont said that in the long run as taxpayers, it is to our benefit to make sure
32 energy costs are reduced.

33 **Adjournment**

1 **A motion to adjourn was made by Mr. Gessert and seconded by Mr. Nunn.**
2 **Vote: 3 ayes.**

3 The meeting was adjourned at 8:32 p.m.

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5 Respectfully submitted,

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7 Cynthia A. Kleist

8 Recording Secretary.

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