

MINUTES OF MEETING
UTILITIES COMMISSION

January 27, 2010

A regular meeting of the City of Groton Utilities Commission was held this date at which Mayor Popp, Commissioners DeMuzzio at 10:16 a.m., Dunbar-Rose, and Rabitaille; Director of Utilities Yatcko, Deputy Director-Administrative Services Collard, Deputy Director-Electric Roche; General Manager-Information Technology Blanchette, General Manager-Major Accounts and Rates & Revenue Requirements Conner, General Manager-Customer Care Daniels at 10:19 a.m., General Manager-Commercial Accounts and Power Requirements Mediavilla, General Manager-Water Stevens, General Manager-Electric Operations Surprenant; Utilities Administrative Supervisor Stubelick; and Executive Assistant Gaudette were present.

The meeting was called to order by Mayor Popp at 10:15 a.m.

Also present were Connecticut Municipal Electric Energy Cooperative (CMEEC) Executive Director Maurice Scully and Assistant General Counsel Robin Kipnis at 10:44 a.m.

Mayor Popp was appointed Clerk Pro Tem due to the absence of Commissioner Eames.

Rabitaille / Dunbar-Rose that the minutes of the regular meeting of December 16, 2009 be approved. So voted unanimously.

Rabitaille / Dunbar-Rose that the minutes of the special meeting of January 13, 2010 be approved. So voted unanimously.

Review and Acceptance of Treasurer's Report

The Treasurer's Report for the month of December showing the following balances was presented by Treasurer Dunbar-Rose.

Checking Account Activity for the month of December:

	<u>Ending Balance</u>
Electric General Fund	\$ 269,969
Water General Fund	\$ 27,450
Meter Deposit Fund	\$ 0
Electric Bond Fund	\$ 265
Water Bond Fund	\$ 789

Cash Investment Activity:

	<u>Beginning Balance</u>	<u>Ending Balance</u>
Electric General Fund	\$ 14,254	\$ 14,257
Water General Fund	\$ 0	\$ 0
Money Market Fund	\$ 136,322	\$ 57,088
Meter Deposit Fund	\$ 882,972	\$ 883,162
Electric Bond Fund	\$ 2,446,476	\$ 2,447,002
Water Bond Fund	\$ 898,499	\$ 898,692
Economic Development Reserve Fund	\$ 103,990	\$ 104,013
Electric Restricted Fund	\$ 1,450,537	\$ 1,450,849
Water Restricted Fund	\$ 444,470	\$ 444,566

At the end of the sixth month, total investment earnings should be at 49.98% and we are at 42.53%. Earnings for the Electric Division are 5.45%, 62.20% of budget for BL&P, and 20.31% of budget for the Water Division.

Rabitaile / DeMuzzio that the Treasurer's Report be accepted. So voted unanimously.

Communications and Correspondence

The following communications were received:

- Thank You note dated January 13, 2010 from the family of Groton Utilities' retiree Mr. Carl Rogers, thanking Groton Utilities and its employees for the sympathy expressed at Mr. Roger's passing on December 16, 2009
- Thank You note dated January 14, 2010 from the family of Groton Utilities' retiree Mr. Ronald Munro, thanking Groton Utilities and its employees for the sympathy expressed at Mr. Munro's passing on December 11, 2009

Public Communications

There were no members of the public present.

CMEEC Board of Directors Report

Commissioner DeMuzzio requested that a brief update on the Smart Grid project be provided each month in the Director's Report to the Utilities Commission.

Review of Monthly Financial Report

Total Electric Revenue for the Electric Division for the month of December was \$5,091,817 or 0.5% below expectations. In comparison to last year, Total Electric Revenue is 1.7% more. Total Electric Revenue for the Fiscal Year-to-Date was \$29,914,326, or 0.5% above budget and 4.5% above in comparison to last year. Operation & Maintenance Expense for December was \$687,373, or 0.3% below expectations. In comparison to last year, Operation & Maintenance Expense is 27.8% more. Operation & Maintenance Expense for the Fiscal Year-to-Date was \$3,761,433, or 9.1% below budget and 21.1% above in comparison to last year. Depreciation Expense for the month of December was \$122,966, or 5.4% below budget. In comparison to last year, Depreciation Expense was 14.7% more. For the Fiscal Year-to-Date, Depreciation Expense was 750,640, or 3.8% below budget and 20.9%

more than last year. Net Income for the month of December was \$157,199 or 41.9% below budget primarily due to unbilled revenue. In comparison to last year, Net Income was 74.0% less. For the Fiscal Year-to-Date, Net Income was \$3,428,483, or 93.3% above budget, and 18.0% less than last year.

Effective January 1, 2009, the State of Connecticut's mandated Conservation Charge was increased from \$0.0016 to \$0.0019 per kWh and is added as a line item to customers' bills. More than \$57,000 was charged to customers in December, excluding the Navy and interruptible loads. This amount is included in revenue and expensed as Conservation Expense. This will be transferred to Groton Utilities' Conservation and Load Management (CLM) Account held at CMEEC in accordance with the Connecticut State Statute. Groton Utilities controls all expenditures from this fund. More than \$16,200 in energy rebates was paid to customers during the month of December, with a total Fiscal Year-to-Date of \$274,212.

Total Water Revenue for the Water Division for the month of December was \$568,982, or 7.5% below budget projections. In comparison to last year, Total Water Revenue is 4.7% less. Total Water Revenue for the Fiscal Year-to-Date was \$4,004,106, or 5.5% below budget and 7.1% more in comparison to last year. Operation and Maintenance Expenses for the month of December were \$591,811, or 1.7% below budget. In comparison to last year, Operation and Maintenance Expenses were 16.8% more. For the Fiscal Year-to-Date, Operation and Maintenance Expenses were \$3,247,618, or 10.1% below budget, and 6.9% more in comparison to last year. Total Operating Expenses for the month of December were \$682,173, or 0.7% below budget. In comparison to last year, Total Operating Expenses were 17.1% more. Total Operating Expenses for the Fiscal Year-to-Date were \$3,811,078, or 7.5% below budget, and 8.6% more in comparison to last year. Net Earnings before Debt Principal for the month of December were (\$96,749) or 67.3% above a budgeted loss, primarily due to lower revenues. For the Fiscal Year-to-Date, Net Earnings before Debt Principal were \$286,822 or 44.1% above budget, and 4.7% less than last Fiscal Year-to-Date.

Deputy Director Collard and General Manager Conner responded to Commissioners' questions regarding the PPA, the Industrial Pass-Through, and Groton Utilities' load factor at CMEEC.

Review of Director of Utilities' Report

The Director of Utilities' Report dated January 27, 2010 was presented as follows:

January 27, 2010

The City of Groton Utilities Commission
Groton, Connecticut

Ladies and Gentlemen:

*1. **GUC-09-12-135:** As reported at the November 18, 2009 and December 16, 2009 Utilities Commission meetings, Project Management completed bid documents for the replacement of the 300 kilowatt standby generator purchased in 1974 for the Gungywamp Road Pump Station. Replacement parts for the generator are no longer available. The pump station is used to supply Groton Utilities' high services and distribution system, and to fill the Bailey Hill Standpipe. New pumps, motors, and VFD's were installed in 2006.

Bids were opened on December 3, 2009 as follows:

<u>CONTRACTOR</u>	<u>TOTAL BID</u>
SNS Electric, LLC Stonington, CT	\$71,380.00
A&S Electric Services Durham, CT	\$75,000.00
DeRosier Electric Inc. Norwich, CT	\$81,361.00
Northeast Generator Co. Bridgeport, CT	\$84,483.00
Electrical Energy Systems Southington, CT	\$96,340.00
Electric Technologies Bloomfield, CT	\$98,499.00

Revised estimated project costs based on the actual low conforming bid received are as follows:

Generator Replacement	\$71,380.00
Engineering, design, specifications and construction inspection	\$2,000.00
Contingency – 10%	\$7,338.00
Total Estimated Amount	\$80,718.00
Engineers' Estimate	\$100,000.00

Based on the evaluation of the bids received, Management recommends that SNS Electric, LLC, of Stonington, Connecticut be awarded the contract based on their lump sum bid submitted in the total amount of \$71,380.00.

It is recommended that the City of Groton Utilities Commission award the contract for a 300 kW diesel generator, concrete pad modifications, miscellaneous mechanical and electrical repairs to the existing louver, and miscellaneous electrical work at the Gungywamp Pump Station to SNS Electric, LLC of Stonington, Connecticut based on their lump sum bid submitted in the total amount of \$71,380.00 to be paid from Non-Bonded Capital funds available in the approved Fiscal Year 2009-2010 Budget, and furthermore, that the City Council be apprised of this action with the recommendation that it concur and Mayor Dennis L. Popp be authorized to execute the contract and the City Clerk to affix the City seal thereto.

*2. **GUC-09-12-136:** As reported at the December 16, 2009 Utilities Commission meeting, the Connecticut Municipal Electric Energy Cooperative's (CMEEC) 50 in 5 Project has progressed into the generator installation phase. There are nine (9) 2.5 megawatt units planned to supply a total of 22.5 megawatts of peak energy into the Groton Utilities, Bozrah Light and Power Company, and

Fishers Island Electric host utility power distribution systems. To facilitate the interconnection and operation of these units on the systems, the Draft Interconnection and Operating Agreement and the Joint Operating Agreement Procedures were provided to the Utilities Commission for review at its December 16, 2009 meeting, with anticipated approval at the January 27, 2010 meeting. All the participating host utilities will have the same Interconnection and Operating Agreement and Joint Operating Agreement Procedures to maintain consistent, integrated operating procedures.

It is recommended that the City of Groton Utilities Commission approve the Connecticut Municipal Electric Energy Cooperative's (CMEEC) 50 in 5 Project Interconnection and Operating Agreement and the Joint Operating Agreement Procedures.

*3. **GUC-10-01-139:** At the August 26, 2009 Utilities Commission meeting, the Commission authorized Director of Utilities Yatcko to renew the agreement with David J. Lee for a six-month period beginning September 1, 2009 in the amount of \$2,308 per week for 26 weeks, for a total amount of \$60,008, to be paid from funds available in the Miscellaneous Cost Center 99, Professional Services – Special, in the approved Fiscal Year 2009-2010 Budget. Per the agreement, after six (6) months the agreement can be negotiated and renewed.

It is recommended that the City of Groton Utilities Commission authorize Director of Utilities Yatcko to renew the agreement with David J. Lee for a six-month period beginning March 1, 2010 in the amount of \$2,308 per week for 26 weeks, for a total amount of \$60,008, to be paid from funds available in the Miscellaneous Cost Center 99, Professional Services – Special, in the approved Fiscal Year 2009-2010 Budget.

*4. **GUC-10-01-140:** Based on the additional meetings and efforts achieved in reallocating priorities and contingencies within the preliminary Smart Grid Grant Budget, a much higher project value has been achieved. By reallocating the funds within the budget, Groton Utilities will be able to install an additional 4,000 electric meters and improve the ability to manage Groton Utilities' distribution system to lay the foundation of improved reliability and services to Groton Utilities' customers.

Groton Utilities' portion of the funding necessary over the three-year term of the project will be funded through providing services in kind, annual approvals using non-bonded capital, and further reallocation of normally budgeted meter and other equipment replacements. Management, therefore, recommends the approval of Groton Utilities' participation in the Smart Grid Grant.

It is recommended that the City of Groton Utilities Commission approve Groton Utilities' participation in the Connecticut Municipal Electric Energy Cooperative's (CMEEC) Smart Grid Grant.

5. **GUC-10-01-138:** It was reported in the November 18, 2009 Director of Utilities' Report to the Utilities Commission that members of the Information Technology (IT) Department were reviewing options and opportunities in the areas of server consolidation and network data storage. This is part of the IT Department's ongoing plan to improve and enhance the existing Information Systems' infrastructure and data storage capacities.

The IT Department completed its review and has concluded there is a need for server virtualization and increased storage capacity for the entire City of Groton / Groton Utilities network. This project will improve reliability and performance, reduce downtime, provide for redundancy and disaster recovery, and reduce physical space requirements while increasing data storage capacity. Additional benefits include reduced data center energy and HVAC needs, and a reduction in hardware

maintenance costs. Funding for this project is available in the Restricted Fund established and approved by the Utilities Commission at its July 26, 2006 meeting.

Management solicited software, storage hardware, servers, and professional services proposals and/or quotes for server virtualization and redundant data storage solutions from various sources. Not all vendors have responded as of the date of this Action Item.

It is anticipated that the evaluation of the proposals will be completed prior to the February 24, 2010 meeting of the Utilities Commission and that Management will make a recommendation at that time to award the contract or issue a purchase order to the vendor that provides the best overall solution to meet the project goals based on the proposals submitted. Payment for the project will be paid from funds available in the Restricted Fund.

Management will seek approval for this project at the February 24, 2010 meeting of the Utilities Commission.

6. **GUC-10-01-141:** At the February 25, 2009 Utilities Commission meeting, Management was authorized to enter into negotiations for the proposed purchase of property located at 822 Old Buddington Road, adjacent to the Poquonock Reservoir. The purchase of the property would increase gravel sales due to the amount of gravel and loam above the water line. The value of this gravel is 50% greater (\$3.00 per cubic yard versus \$2.00 per cubic yard) because the gravel is dry. Groton Utilities currently excavates approximately 6,000 cubic yards of gravel per year from dredging, which is limited due to turbidity issues. Over time, another benefit would be an increase in total water storage to near 3 billion gallons.

Management has prepared a conservative business case with a payback of less than ten (10) years. The prepared business case is included in each Commissioner’s work binder.

It is anticipated that Management will seek Commission approval at the February 24, 2010 meeting.

7. Water Statistics:

	<u>Jan. 19, 2010</u>	<u>Dec. 7, 2009</u>	<u>Jan. 19, 2009</u>
Water in Usable Storage	2,572 M.G.	2,565 M.G.	2,569 M.G.
Daily Average Pumping Rate (Week)	5.5 M.G.	5.2 M.G.	5.5 M.G.
Annual Running Average per Day to Date (Year)	5.6 M.G.	5.6 M.G.	5.6 M.G.

Electric Statistics:

	<u>Dec. 2009</u>	<u>Nov. 2009</u>	<u>Dec. 2008</u>
kWhs Purchased	42,453,740	34,099,635	48,209,113
System kW Demand	79,002	58,590	78,498

8. During the month of December, there were forty-one (41) Call Outs for reported problems on Groton Utilities’ power distribution system, resulting in ten (10) power interruptions. These interruptions were caused by four (4) tree contacts, two (2) animal contacts, three (3) overhead equipment failures, and one (1) vehicle-pole contact. Total Customer Minutes for December was 37,243, which is less than half the total customer minutes sustained last December.

9. Energy Assistance Program

Receipt and Allocation of Funds as of December 31, 2009
(As reported by Town Social Services)

	<u>This Month</u>	<u>To Date</u>
Initial Start-up Funds	N/A	\$ 2,000.00
Customer Donations	\$ 1,796.93	\$ 132,326.95
Groton Utilities' Matching Funds Paid	\$ 152.00	\$ 61,817.00
Allocation to Customers	\$ 1,312.61	\$ 191,304.41
Balance on Hand	>>>	\$ 4,839.54

Last 12 Months

Donations	\$ 7,127.24
Matching	\$ 2,903.92
Distributed	\$ 6,381.42

10. CONN-OSHA Recordable Accidents:

Division	Month of December		Year-to-Date		Prior (2008) Year-to-Date	
	LTA	Non-LTA	LTA	Non-LTA	LTA	Non-LTA
Electric	0	0	4	4	2	2
Water	0	0	1	1	1	2
Sewer	0	0	0	0	1	0
Admin/CC	0	0	0	2	1	0

LTA: Lost Time Accident

Non-LTA – Non-Lost Time Accident

11. System reservoirs are at 99.96 percent of total usable storage with stream flows above normal levels.

Precipitation recorded for the month of December was 6.47 inches, which is 2.01 inches above the seventy-eight year Groton average for December. Total precipitation for the twelve (12) months of 2009 was 56.08 inches, which is 8.06 inches above the seventy-eight year average for the same period.

12. The Summary of Operations at the Water Treatment Plant for the month of December 2009 is available for Commissioner review.

13. At its regular meeting held on December 21, 2009, the City Council authorized Groton Utilities' Management to retain the lobbying services of Medici, LLC of Hartford, Connecticut for lobbying services pertaining to electric, water, or gas services and any other utility matters as necessary in an amount not to exceed \$100,000.00 to be paid from the Professional Services – Lobbying account in the Approved Fiscal Year 2009-2010 Budget and authorized Mayor Dennis L. Popp to execute the agreement.

14. The 2009 Annual Water Quality testing has been completed, and the results were submitted to the State of Connecticut, Department of Public Health (DPH) via Electronic Data Interchange (EDI) on December 14, 2009. Samples were collected from the Poquonnock Reservoir and from the Water Treatment Plant point of entry in accordance with the DPH Code Regulations, Section 19-13-B1O2. All water quality results met the United States Environmental Protection Agency (EPA) and the DPH's Primary and Secondary Drinking Water Standards. Sample results of the point of entry sample will also be mailed to Groton Utilities' industrial customers and consecutive systems.

15. Groton Utilities' Water Division staff has completed the Initial Distribution System Evaluation (IDSE) Report for Standard Monitoring as part of the Stage 2 Disinfection By-Products Rule (DBP), and the results were submitted to the United States Environmental Protection Agency (EPA) and the State of Connecticut, Department of Public Health (DPH). The report includes DBP results (trihalomethanes and haloacetic acids) of our year-long IDSE monitoring program and recommendations for four (4) new DBP monitoring sites, based on the required protocol specified in the Rule. The sites selected were required to have the highest DBP levels, and all results met EPA and DPH regulations. Following the DEP review of the recommendations, monitoring at the new locations is scheduled to begin in October 2013.

16. There was one (1) water main break and two (2) water service leaks during the month of December as follows:

- 6-inch water main break at 99 Ridgewood Drive on December 11, 2009
- ¾-inch water service leak at 143 Baker Avenue on December 18, 2009
- ¾-inch water service leak at 13 Xenia Court on December 20, 2009

17. As part of the 13.8 kV Voltage Conversion Project, during the month of December, Groton Utilities' Electric Operations' line crews completed the make-ready work for the voltage conversion area from the intersection of Eastern Point Road and Poquonnock Road, north on Thames Street, to the intersection of Thames Street and Latham Avenue. The conversion will occur when the weather becomes warmer. The voltage conversion work is scheduled to continue along Thames Street to Bridge Street. The project is scheduled to continue until the spring of 2010. This is an approved 2000 Electric Bond Fund Project.

18. As part of the 308-Line Upgrade Project, Groton Utilities' Electric Operations' personnel are in the process of installing the 35 kV underground cables. In December, 8,500 feet of underground cable was installed, and to date, 50% of the 35 kV underground cable has been installed. The project is scheduled to continue through April 2010. This is an approved 1992 and 2001 Electric Bond Fund Project.

19. As part of the Connecticut Municipal Electric Energy Cooperative's (CMEEC) 50 in 5 Project, Groton Utilities' Electric Project Management personnel are in the process of finalizing the engineering plans for the three (3) proposed generator sites in Groton. This includes the site plans, creating materials lists, and finalizing the protection scheme.

During the month of December, Groton Utilities' and Bozrah Light and Power Company crews installed the overhead service, underground cables, and completed terminations for electric service to the Lebanon Pines generators Number 1 and 2. Generators are on site, and system testing for the generators has begun. Additionally, revenue meters have been programmed and installed at the site.

During the month of December, Groton Utilities' meter personnel programmed and installed the revenue meters for the generators at the Jewett City Generating Station. Personnel have visited the site to get an idea of what to expect at the Lebanon and Groton sites.

20. As part of the Stockhouse Road Substation Upgrade Project, Groton Utilities' Electric Project Management is in the process of preparing bid documents and specifications for the purchase of a new substation transformer to replace the failed 2X transformer. Once the bids are received and evaluated, a Special Bozrah Utilities Commission meeting will be scheduled to seek approval to proceed with the project and the purchase of a new transformer, and review the proposed rate increase to finance funding of the project. The project is on hold until the 2X transformer can be replaced and returned to service. Completion date for the project is unknown at this time.

21. Groton Utilities' Electric Operations' personnel responded to the North American Electric Reliability Corporation (NERC) ALERT System Exercise directed towards all regions, entities, and functional groups pertaining to Physical Security, Cyber Security, and other aspects relating to NERC.

22. The Conservation and Load Management Program results for the year to date are as follows:

YEAR TO DATE REPORT ON CONSERVATION & LOAD MANAGEMENT PROGRAMS

MEASURE	# Projects	\$ Incentive	Customer Costs	Annual kWh Savings	Annual Cust Savings	Lifetime kWh Savings	Lifetime Cust Savings
Residential Dwellings Retro	637	\$291,047	\$900	156,935	\$21,971	1,224,096	\$171,373
Appliance Rebates	265	\$14,620	\$152,342	81,320	\$11,385	799,530	\$111,934
Residential HVAC	9	\$6,325	\$106,277	729	\$102	6,567	\$919
Load Control High Efficiency Motors	0	\$0	\$0	0	\$0	0	\$0
Com/Ind HVAC	5	\$98,287	\$389,421	640,796	\$89,711	12,815,920	\$1,794,229
Com/Ind Lighting	8	\$160,922	\$549,438	1,145,016	\$160,302	13,817,222	\$1,934,411
Other	3	\$3,799	\$9,417	20,996	\$2,939	252,000	\$35,280
Program Totals	927	\$574,999	\$1,207,795	2,045,792	\$286,411	28,915,335	\$4,048,147

The \$\$\$ value of savings is based on \$0.14 cents per kWh and not the actual savings over the lifetime of the conservation measure. This is only an estimate based on today's customer costs.

23. The State of Connecticut has allocated \$3.4 million of American Recovery and Reinvestment Act of 2009 (ARRA) funds toward an appliance rebate program that begins on January 25, 2010 and runs through April 2010, or until the funds are depleted. Details of the program are included in each Commissioner's work binder. Local appliance dealers will be trained on the new program. The state program will provide rebates in addition to the Groton Utilities' Rebate Program.

24. The bill for purchased power for the month of December 2009 as received from CMEEC is in the amount of \$4,331,192.11. Effective April 1, 2009, Purchased Power Costs were increased from \$0.0923 to \$0.0944 per kWh to reflect increased generation costs. Effective July 1, 2009, a Purchased Power Adjustment (PPA) of \$0.00579 per kWh was applied to customers' billings and

\$215,684 was collected in December to help offset generation costs. For the month of December, a deficit of \$77,688 will be added to the PPA Fund. The PPA Fund is now a deficit of \$92,779 and will be monitored and flowed through to customers at a later date. For the month of December, a Transmission Cost Adjustment (TCA) of \$0.00526 per kWh was applied to customers' billings and \$195,941 was collected to help offset a deficit of \$159,668. The net surplus of \$36,273 will be charged to the TCA Normalization Fund. The TCA Fund now is a credit of \$93,507 and includes interest income on the Fund.

25. Groton Utilities employees were honored, along with other City of Groton employees, during an Employee Service Awards ceremony held during the December 16, 2009 Employee Breakfast Meeting. Mayor Dennis L. Popp presented service awards to the following Groton Utilities employees:

Frank Winkler	30 years	Diane Holmes	5 years
Charles Hall	30 years	Donald Braun, Jr	5 years
Rosalie Bass	5 years	Leonard Beebe, Jr.	5 years

26. Management notes with sadness the death of Mr. Ronald Munro on December 11, 2009. Mr. Munro joined Groton Utilities on October 2, 1960 and, after eighteen years, retired on June 1, 1979.

27. Management notes with sadness the death of Mr. Carl "Squeaky" Rogers on December 16, 2009. Mr. Rogers joined Groton Utilities on January 25, 1965 and, after twenty-seven years, retired on June 26, 1992.

28. Monthly reports as received from the Deputy Director-Electric Division, Deputy Director-Water Division, General Manager-Information Technology and Manager-Economic Development are available in the Director of Utilities' office for Commissioner review.

Respectfully submitted,

/s/ Paul Yatcko
Director of Utilities

Old Business

Report Item No. *1, GUC-09-12-135: Consideration of and Action to award the contract for a 300 kW diesel generator, concrete pad modifications, miscellaneous mechanical and electrical repairs to the existing louver, and miscellaneous electrical work at the Gungywamp Pump Station to SNS Electric, LLC of Stonington, Connecticut based on their lump sum bid submitted in the total amount of \$71,380.00 to be paid from Non-Bonded Capital funds available in the approved Fiscal Year 2009-2010 Budget, and furthermore, that the City Council be apprised of this action with the recommendation that it concur, and that Mayor Dennis L. Popp be authorized to execute the contract and the City Clerk to affix the City Seal thereto

DeMuzzio / Rabitaille that the City of Groton Utilities Commission award the contract for a 300 kW diesel generator, concrete pad modifications, miscellaneous mechanical and electrical repairs to the existing louver, and miscellaneous electrical work at the Gungywamp Pump Station to SNS Electric, LLC of Stonington, Connecticut based on their lump sum bid submitted in the total amount of \$71,380.00 to be paid from Non-Bonded Capital funds available in the approved Fiscal Year 2009-2010 Budget, and furthermore, that the City Council be apprised of this action with the

recommendation that it concur, and that Mayor Dennis L. Popp be authorized to execute the contract and the City Clerk to affix the City Seal thereto. So voted unanimously.

Report Item No. *2, GUC-09-12-136: Consideration of and Action to approve the Connecticut Municipal Electric Energy Cooperative's (CMEEC) 50 in 5 Project Interconnection and Operating Agreement and the Joint Operating Agreement Procedures

Rabitaile / Dunbar-Rose that the City of Groton Utilities Commission approve the Connecticut Municipal Electric Energy Cooperative's (CMEEC) 50 in 5 Project Interconnection and Operating Agreement and the Joint Operating Agreement Procedures.

Mayor Popp reported he has had several meetings with Ms. Kipnis of CMEEC regarding the proposed language and the indemnification clauses in the Interconnection and Operating Agreements. Mayor Popp also stated he was uncertain if the agreements could be approved before the Town of Groton and the City Council have approved the leases for the proposed sites. Commissioner Dunbar-Rose requested electronic copies of the revised agreements when they are received.

The Commission discussed tabling the agenda item and whether the agreements should be separate agenda items for approval after the individual lease agreements for each site are approved.

Mayor Popp called for a vote on the motion. The vote on the motion was 4 nays and 0 ayes. The motion failed.

New Business

Report Item No *3, GUC-10-01-139: Consideration of and Action to authorize Director of Utilities Paul Yatcko to renew the agreement with David J. Lee for a six-month period beginning March 1, 2010 in the amount of \$2,308 per week for 26 weeks for a total amount of \$60,008 to be paid from funds available in the Miscellaneous Cost Center 99, Professional Services – Special, in the approved Fiscal Year 2009-2010 Budget

Rabitaile / Dunbar-Rose that the City of Groton Utilities Commission authorize Director of Utilities Paul Yatcko to renew the agreement with David J. Lee for a six-month period beginning March 1, 2010 in the amount of \$2,308 per week for 26 weeks for a total amount of \$60,008 to be paid from funds available in the Miscellaneous Cost Center 99, Professional Services – Special, in the approved Fiscal Year 2009-2010 Budget. So voted unanimously.

Report Item No. *4, GUC-10-01-140: Consideration of and Action to approve Groton Utilities' participation in the Connecticut Municipal Electric Energy Cooperative's (CMEEC) Smart Grid Grant

Dunbar-Rose / Rabitaile that the City of Groton Utilities Commission approve Groton Utilities' participation in the Connecticut Municipal Electric Energy Cooperative's (CMEEC) Smart Grid Grant.

General Manager Conner gave an overview of Groton Utilities proposed participation in the Smart Grid Grant award. Management and CMEEC representatives are reviewing time of use (TOU) electric rates, the potential to reduce customers' energy cost should customers react to the notifications sent regarding TOU rates, and the potential benefits of the project. General Manager Conner responded to Commissioners' questions regarding the data share aspect of the project and the

detriments of not participating at this time. General Manager Conner stated that timing is important in regards to negotiations in receiving funds from the federal government grant.

Director Yatcko stated that this technology is washing over the entire industry, and there will come a time when utilities do not have a choice as to whether to utilize the technology. As this project has evolved, Groton Utilities is receiving better technology than originally projected at a better cost profile. Commissioner DeMuzzio asked how much capital Groton Utilities' would be required to provide. General Manager Conner replied that Groton Utilities share would be a 50% match of the grant award and in-kind services. Approximately \$900,000 would be expended over three years and would include funds Groton Utilities would already expect to budget for metering.

The Commission also discussed the transceiver towers located in Groton and Norwich, and the potential installation of 1,000 controllable thermometers in participating customers homes that would provide data on load and peak sharing.

Commissioner DeMuzzio requested the revised financial information regarding Groton Utilities' participation in the grant award. Mayor Popp also requested an overview of all changes made in various line items.

So voted unanimously.

Report Item No. 5, GUC-10-01-138: Management review of the Information Technology (IT) Department's options and opportunities in the areas of server consolidation and network data storage

General Manager Blanchette reported that during the past nine months, the IT department has reviewed the current state of the data centers, data storage requirements, and server environments. At this time, there is no physical space to house any more servers, and due to the expansion of various systems, data storage has grown to over a terabyte, compared to 52 gigabytes in 2005. There are currently thirty-three (33) production servers with no redundancy. Previous attempts to establish redundancy have been rejected by the Utilities Commission.

Based on the assessments of physical space limitations and data storage requirements, it has been determined the only course of action is to virtualize the environment. The plan for virtualization would provide for physical space requirements, redundancy and failover capability for critical databases and applications, and would reduce, if not eliminate, end user downtime. The proposed project would also reduce energy costs in the data center and increase storage.

The Commission discussed how bids for the IT department are solicited. General Manager Blanchette stated there were four (4) identifiable aspects to the project: services to provide for the virtualization, the hardware costs, the software costs for the virtualization software, and the hardware and professional services for the data storage. Vendors were researched and selected to review the scope of the project from various virtualization and storage value-added resellers' lists, and from the State of Connecticut contract bidders list. The current hardware in use and the compatibility with other types of hardware was also considered.

Due to the confidential nature of the information detailed in the assessment, General Manager Blanchette invited the Commissioners to contact her directly to review the information. It is anticipated that approval for the project will be requested at the special Utilities Commission meeting scheduled for March 3, 2010.

Report Item No. 6, GUC-10-01-141: Management review of the proposed land acquisition of the Wassell property located adjacent to the Poquonnock Reservoir

Mayor Popp asked if there was a sales agreement with the seller. Director Yatcko replied there is a sales agreement, but its execution is pending the Utilities Commission and City Council approvals. Mayor Popp requested Management present the proposed business plan to the City Council on at its regular meeting scheduled for February 2, 2010.

At 11:40 a.m., Rabitaille / Dunbar-Rose that this meeting go into Executive Session to discuss the proposed CMEEC projects and that Director Yatcko, Deputy Directors Collard and Roche, General Manager Conner, Mr. Maurice Scully and Ms. Robin Kipnis be included. So voted unanimously.

Present in Executive Session were Mayor Popp, Commissioners DeMuzzio, Dunbar-Rose, and Rabitaille; Director Yatcko, Deputy Directors Collard and Roche; General Manager Conner; Mr. Maurice Scully and Ms. Robin Kipnis.

At 12:07 p.m. Rabitaille / Dunbar-Rose that this meeting return to Open Session. So voted unanimously.

Adjournment

There being no further business, at 12:08 p.m., Rabitaille / Dunbar-Rose that this meeting adjourn. So voted unanimously.

Attest:

Dennis L. Popp
Clerk Pro Tem