

CITY OF GROTON UTILITIES COMMISSION

MINUTES OF SPECIAL MEETING

March 3, 2010

A special meeting of the City of Groton Utilities Commission was held this date at which Mayor Popp, Commissioners DeMuzzio, Dunbar-Rose, and Rabitaille; Director of Utilities Yatchko, Deputy Director-Administrative Services Collard, Deputy Director-Water/PAF Cummings, Deputy Director-Electric Roche; General Manager-Information Technology Blanchette, General Manager-Major Accounts and Rates & Revenue Requirements Conner, General Manager-Operations Dipallina, 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 10:23 a.m.

Chairman Popp was appointed Clerk Pro Tem of the meeting.

Chairman Popp informed the Commission that at its regular meeting held on March 2, 2010, the City Council appointed Paul A. Duarte as a regular member of the City of Groton Utilities Commission. Chairman Popp also stated that beginning with the March 24, 2010 meeting, the Utilities Commission meetings will be held in the afternoon.

Rabitaille / Dunbar-Rose that the minutes of the regular meeting of January 27, 2010 be approved. So voted unanimously.

Review and Acceptance of Treasurer's Report

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

Checking Account Activity for the month of January:

	<u>Ending Balance</u>
Electric General Fund	\$ 1,508,916
Water General Fund	\$ 76,570
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	\$ 14,257	\$ 14,260
Water General Fund	\$ 0	\$ 0
Money Market Fund	\$ 57,088	\$ 239,193
Meter Deposit Fund	\$ 883,162	\$ 883,327
Electric Bond Fund	\$ 2,447,002	\$ 2,249,655
Water Bond Fund	\$ 898,692	\$ 891,132
Economic Development Reserve Fund	\$ 104,013	\$ 104,032
Electric Restricted Fund	\$ 1,450,849	\$ 1,463,371
Water Restricted Fund	\$ 444,566	\$ 444,649

At the end of the seventh month, total investment earnings should be at 58.31% and we are at 49.57%. Earnings for the Electric Division are 6.43%, 72.57% of budget for BL&P, and 23.38% 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:

- An article written by Elizabeth Diagneau entitled "The Hidden Cost of Going Green", published in Governing magazine, February 2010, page 17

The Commission discussed the article. Director Yatcko and General Manager Conner responded to Commissioners' questions regarding the Connecticut Municipal Electric Energy Cooperative (CMEEC's) Smart Grid project. General Manager Conner reported on a recent event in which a smart meter was installed in a customer's home due to the customer's concerns about the amount of their recent bill. Management collected hourly data and, upon review of the data with the customer, was able to determine the cause of the extra energy being used during the previous month. The cause of the increased energy use was a faulty heat pump.

Public Communications

There were no members of the public present.

CMEEC Board of Directors Report

There was no CMEEC Board of Directors Report.

Review of Monthly Financial Report

Total Electric Revenue for the Electric Division for the month of January was \$4,929,119 or 1.2% above expectations. In comparison to last year, Total Electric Revenue is 7.7% less. Total Electric Revenue for the Fiscal Year-to-Date was \$34,843,445, or 0.6% above budget and 2.6% above in comparison to last year. Operation & Maintenance Expense for January was \$621,805, or 9.8% below expectations. In comparison to last year, Operation & Maintenance Expense is 6.4% less.

Operation & Maintenance Expense for the Fiscal Year-to-Date was \$4,383,238, or 9.2% below budget and 16.3% above in comparison to last year. Depreciation Expense for the month of January was \$122,510, or 5.8% below budget. In comparison to last year, Depreciation Expense was 48.8% less. For the Fiscal Year-to-Date, Depreciation Expense was \$873,150, or 4.0% below budget and 1.5% more than last year. Net Income for the month of January was \$729,771 or 33.1% above budget primarily due to the recovery of unbilled revenue from December. In comparison to last year, Net Income was 87.2% more. For the Fiscal Year-to-Date, Net Income was \$4,158,254, or 79.1% above budget, and 9.0% less than last year.

Effective January 1, 2010, the State of Connecticut's mandated Conservation Charge was increased from \$0.0019 to \$0.0022 per kWh and is added as a line item to customers' bills. More than \$77,000 was charged to customers in January, 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 \$65,000 in energy rebates was paid to customers during the month of January, with a total Fiscal Year-to-Date of \$339,385.

Total Water Revenue for the Water Division for the month of January was \$664,659, or 4.0% below budget projections. In comparison to last year, Total Water Revenue is 2.6% less. Total Water Revenue for the Fiscal Year-to-Date was \$4,668,765, or 5.3% below budget and 5.6% more in comparison to last year. Operation and Maintenance Expenses for the month of January were \$545,080, or 9.5% below budget. In comparison to last year, Operation and Maintenance Expenses were 18.5% less. For the Fiscal Year-to-Date, Operation and Maintenance Expenses were \$3,792,698, or 10.0% below budget, and 2.3% more in comparison to last year. Total Operating Expenses for the month of January were \$650,340, or 5.3% below budget. In comparison to last year, Total Operating Expenses were 16.0% less. Total Operating Expenses for the Fiscal Year-to-Date were \$4,461,418, or 7.2% below budget, and 4.2% more in comparison to last year. Net Earnings before Debt Principal for the month of January were \$32,585 or 65.1% above budget. For the Fiscal Year-to-Date, Net Earnings before Dept Principal were \$319,406 or 46.0% above budget, and 45.2% more than last Fiscal Year-to-Date.

Deputy Director Collard responded to Commissioners' questions regarding total kilowatt hours sold.

Review of Director of Utilities' Report

The Director of Utilities' Report dated February 24, 2010 was presented as follows:

February 24, 2010

The City of Groton Utilities Commission
Groton, Connecticut

Ladies and Gentlemen:

*1. **GUC-10-01-138a:** 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.

A final review of the proposals and/or quotes for the server virtualization and redundant data storage project has been completed. The project can effectively be broken down into four distinct sections – data storage hardware, virtualization servers, virtualization software, and professional services. Pricing was obtained wherever possible through either our normal supply chain or through Value Added Resellers. A spreadsheet of all the results is included for Commissioner review.

Based on the overall qualifications, pricing, and responsiveness of the vendor, Management recommends that Gotham Technology Group, LLC be issued purchase orders for each of the project sections as follows:

Data Storage Hardware (Primary and Redundant)	\$82,890.14
Virtualization Servers (6)	\$45,772.62
Virtualization Software	\$45,283.46
Professional Services (Virtualization and Storage solution)	\$34,500.00

It is recommended that the City of Groton Utilities Commission authorize Management to issue purchase orders for data storage hardware, virtualization servers, virtualization software and professional services to Gotham Technology Group, LLC, 4 Research Drive, Shelton, Connecticut for a total amount not to exceed Two Hundred Eight Thousand, Four Hundred Forty-Six Dollars and Twenty-Two Cents (\$208,446.22) to be paid from funds available in the Restricted Fund established and approved by the Utilities Commission at its July 26, 2006 meeting, and furthermore, that the City Council be apprised of this action with the recommendation that it concur.

*2. **GUC-10-01-141a:** As reported at the January 27, 2010 Utilities Commission meeting, Management was authorized to enter into negotiations for the proposed purchase of property located at 882 Old Buddington Road, adjacent to the Poquonnock 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.

It is recommended that the City of Groton Utilities Commission approve the purchase of a parcel of land located on Old Buddington Road, adjacent to the Poquonnock Reservoir for a total cost not to exceed Five Hundred Thousand Dollars and No Cents (\$500,000.00) to be paid from funds available in the approved 1995 Water Bond Fund, and furthermore, that the City Council be apprised of this action with the recommendation that it concur.

*3. **GUC-10-02-142:** With the expiration of Terry H. Eames' term as Utilities Commissioner, a vacancy as a Representative of Groton Utilities to the Connecticut Municipal Electric Energy Cooperative (CMEEC) Board of Directors exists. The Utilities Commission must appoint a Representative to complete the term of Terry H. Eames which expires on December 31, 2010.

It is recommended that Director of Utilities Paul Yatcko be appointed to serve as a Representative of Groton Utilities to the CMEEC Board of Directors to complete the three-year term of Terry H. Eames which expires on December 31, 2010.

*4. **GUC-10-02-143:** With the expiration of Terry H. Eames' term as Utilities Commissioner, it is appropriate for the Commission to consider the appointment of a new Clerk.

It is recommended that the City of Groton Utilities Commission appoint Utilities Commissioner _____ as Clerk of the City of Groton Utilities Commission, effective immediately.

5. Water Statistics:

	<u>Feb. 15, 2010</u>	<u>Jan. 19, 2010</u>	<u>Feb. 16, 2009</u>
Water in Usable Storage	2,562 M.G.	2,572 M.G.	2,560 M.G.
Daily Average Pumping Rate (Week)	5.4 M.G.	5.5 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>Jan. 2010</u>	<u>Dec. 2009</u>	<u>Jan. 2009</u>
kWhs Purchased	42,404,201	42,453,740	49,603,911
System kW Demand	73,680	79,002	78,498

6. During the month of January, there were thirty-four (34) Call Outs for reported problems on Groton Utilities' power distribution system, resulting in fifteen (15) power interruptions. These interruptions were caused by one (1) animal contact, seven (7) overhead wire failures, one (1) underground wire failure, and six (6) weather induced tree contacts. During the month of January, 2,877 customers experienced power outages, resulting in the accumulation of 392,334 customer minutes without power.

7. Energy Assistance Program

Receipt and Allocation of Funds as of January 31, 2010
(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	\$ 923.65	\$ 133,250.60
Groton Utilities' Matching Funds Paid	\$ 898.47	\$ 62,715.47
Allocation to Customers	\$ 1,468.18	\$ 192,772.59
Balance on Hand	>>>	\$ 5,193.48

Last 12 Months

Donations	\$	7,815.01
Matching	\$	3,563.64
Distributed	\$	6,614.74

8. CONN-OSHA Recordable Accidents:

Division	Month of January		Year-to-Date		Prior (2009) Year-to-Date	
	LTA	Non-LTA	LTA	Non-LTA	LTA	Non-LTA
Electric	0	0	0	0	4	4
Water	0	0	0	0	1	1
Sewer	0	0	0	0	0	0
Admin/CC	0	0	0	0	0	2

LTA: Lost Time Accident

Non-LTA – Non-Lost Time Accident

9. System reservoirs are at 99.57 percent of total usable storage with stream flows below normal levels.

Precipitation recorded for the month of January was 2.83 inches, which is 1.43 inches below the seventy-nine year Groton average for January.

10. The Summary of Operations at the Water Treatment Plant for the month of January 2010 is available for Commissioner review.

11. At its regular meeting held on February 1, 2010, the City Council awarded 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, 135 Taugwonk Road, Stonington, Connecticut based on their lump sum bid submitted in the total amount of Seventy-One Thousand, Three Hundred Eighty Dollars and No Cents (\$71,380.00) to be paid from Non-Bonded Capital Funds available in approved Fiscal Year 2009-2010 Budget, and authorized Mayor Dennis L. Popp to execute the contract and the City Clerk to affix the City Seal thereto.

12. The two-year contract for lawn and grounds maintenance of Groton Utilities' properties expired on November 30, 2009. Management exercised a one (1) year contract extension with ACK Services of Mystic, Connecticut for the 2010 mowing season.

13. The Annual Summary of Water Operations and Sewer Call Time Reports for the period January 1, 2009 to December 31, 2009 is as follows:

WATER	2005	2006	2007	2008	2009	5 Year Avg
Assist Electric Department	0	1	2	1	10	3
Assist Ledyard Water	5	5	1	1	2	3
Assist Navy and Water Main Break & Valve Operation	6	5	2	3	0	3
Assist City Highway with Storm Drains	2	1	0	0	0	1
Assist Noank	1	2	1	1	1	1
Assist Customer with Dug Pipe	1	2	0	2	1	1
Bacteria Sample Taken	0	0	0	0	0	0
Broken Meter	0	2	1	2	0	1
Check Hydrants	3	0	3	2	4	2
Chemical Spill Investigations	0	2	5	0	0	1
Chemical Spill Investigations (Gas)	0	0	2	0	1	1
Dirty Water	15	34	6	2	6	13
Flushing Lines	0	2	3	1	0	1
Frozen Water Meter	0	0	3	1	1	1
Frozen Water Service	0	1	1	1	0	1
Groundwater Problem	9	1	0	1	3	3
Hydrant Hit by Car	4	4	1	5	6	4
Investigate Leak	19	14	9	2	2	9
Leaking Gate Valve	0	2	0	2	2	1
Leaking Hydrant	2	5	3	4	2	3
Leaky Meter	0	3	1	1	0	1
Low Pressure	5	14	9	4	3	7
Missing Gate Box Cover	6	1	2	2	3	3
No Water	10	4	6	10	4	7
Operate Gate Valves	20	5	2	3	3	7
Pump Station Alarm	0	0	2	1	0	1
Replace Curb Box Cover	6	1	2	1	3	3
Snow Removal	11	1	2	1	6	4
Surge Control Valve	0	0	0	0	0	0
Turn Off Water	10	8	21	11	4	11
Turn On Water	4	4	7	7	1	5
Unlock Reservoir Gate	14	13	2	4	2	7
Water Main Break	16	16	5	8	12	11
Water Quality Complaints (Odor)	5	2	3	1	0	2
Water Service Break	15	13	7	3	3	8
WATER Totals	189	168	114	88	85	128.8
SEWER	2005	2006	2007	2008	2009	5 Year Avg
Sewer Stoppages	4	3	2	5	1	3
Sewer Stoppages (Customer Problem)	16	10	13	4	10	11
Sewer Spill (PAF)	2	1	0	0	0	1
Sewer Break	1	1	0	1	0	1
SEWER Totals	23	15	15	10	11	14.8
Total WATER and SEWER	212	183	129	98	96	143.6

14. There were (2) water main breaks and no water service leaks during the month of January as follows:

- 6-inch water main break at 39 Hilltop Road on January 9, 2010
- 8-inch water main break at Plaza Court on January 13, 2010

15. As part of the 13.8 kV Voltage Conversion Project, during the month of January, Groton Utilities' Electric Operations' line crews upgraded the distribution facilities on the north section of Thames Street. Once completed, the system voltage will increase from 8.32 kV to 13.8 kV. The project is scheduled to continue until the spring of 2010. This is an approved 2000 Electric Bond Fund Project.

16. As part of the 308-Line Upgrade Project, Groton Utilities' Electric Operations' personnel are in the process of installing the 35 kV underground cables. During the month of January, 12,000 feet of underground cable was installed and to date, 53,616 feet of the 35 kV underground cable has been installed. The project is scheduled to continue through May 2010. This is an approved 1992 and 2001 Electric Bond Fund Project.

17. 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 creating a cost estimate to connect the generators to Groton Utilities' distribution system for each of the three (3) proposed generator sites. Once completed, the estimates will be sent to CMEEC and a purchase order will be issued.

18. As part of the Stockhouse Road Substation Upgrade Project, Groton Utilities' Electric Project Management completed the bid packages for the purchase of a new substation transformer to replace the failed 2X transformer. The bid packages were sent to various transformer manufactures. The bid opening is scheduled for February 26, 2010. Once the bids have been evaluated, Management will make a recommendation to the Bozrah Utilities Commission.

19. As part of the Great Brook Subdivision Project, during the month of January, Groton Utilities' Electric Operations' line crews installed two (2) underground services. Underground services will be installed as houses are constructed.

20. As part of the Mill Pond Estates Project, during the month of January, Groton Utilities' Electric Operations' line crews installed the underground distribution system. This included the installation of the 15 kV underground cable, pad mount transformers, and connections. Underground services will be installed as houses are constructed.

21. As part of the North American Electric Reliability Corporation (NERC) ALERT System, on January 25, 2010 two (2) NERC alert tests were received. Details of the alerts are as follows:

- NERC Industry Advisory regarding Test III – Confidential Handling Instructions
- NERC Recommendation to Industry regarding System Exercise Test IV was issued

When received, a designated compliance officer is required to log into the site and acknowledge receipt of the NERC alerts. No action was required as these were merely tests of the NERC/FERC system.

22. The Annual Summary of Electric Operations Call Time Reports for the period January 1, 2009 to December 31, 2009 is as follows:

	2005	2006	2007	2008	2009	5 Yr. Avg
<i>Poles</i>						
Broken Poles	11	12	9	5	3	8.0
Damaged Poles	9	5	5	7	10	7.2
Damaged Guys	3	7	1	2	01	2.8
Burning Poles	0	0	0	0	0	0.0
<i>Secondary</i>						
Service Problems	40	9	12	7	37	21.0
Flickering Lights	3	10	11	21	9	10.8
Partial Power	1	22	12	31	8	14.8
Transformer Problems	29	18	14	4	8	14.6
Traffic and Street Lights	8	37	25	41	38	29.8
Cable TV and Telephone Wire	15	32	18	17	22	20.8
Fire Alarm	6	14	8	4	5	7.2
Down Wires	8	12	16	3	10	9.8
<i>Primary Distribution</i>						
No-Power Blown Cutout	50	8	12	8	2	16.0
Arcing Wiring	3	5	2	3	3	3.2
Underground Distribution Problems	15	3	2	1	7	5.6
Animal Contact	13	2	2	8	24	10.2
Equipment Failure	0	5	0	0	1	1.2
<i>Substations</i>						
Substation Problems	13	4	4	4	4	5.8
<i>Sub-Transmission Lines</i>						
Sub-transmission Line Problems	12	6	1	2	0	3.8
<i>Other</i>						
Tree and Branch Problems	20	28	23	26	26	24.6
Meter Problems – After hours	8	42	5	1	7	12.6
Building Fires	5	8	8	8	8	7.4
Customer Problems	81	95	65	65	88	78.8
Storms	6	7	7	5	11	7.2
Lightning Strikes	5	5	1	4	0	3.0
Heat Wave	0	1	0	0	0	0.2
Miscellaneous	7	16	9	11	10	10.6
TOTAL	371	413	271	288	342	337.0

23. 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	457	\$236,039	\$0	0	\$0	0	\$0
Appliance Rebates	41	\$2,460	\$30,915	12,874	\$1,802	144,566	\$20,239
Residential HVAC	2	\$2,100	\$49,698	0	\$0	0	\$0
Load Control High Efficiency Motors	0	\$0	\$0	0	\$0	0	\$0
Com/Ind HVAC	0	\$0	\$0	0	\$0	0	\$0
Com/Ind Lighting	0	\$0	\$0	0	\$0	0	\$0
Other	0	\$0	\$0	0	\$0	0	\$0
Program Totals	500	\$240,599	\$80,613	12,874	\$1,802	144,566	\$20,239

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.

24. The bill for purchased power for the month of January 2010 as received from CMEEC is in the amount of \$4,135,075.32. Effective April 1, 2009, Purchased Power Costs were increased from \$0.0923 to \$0.0944 per kWh to reflect increased generation costs. Effective January 1, 2010, the Purchased Power Adjustment (PPA) increased from \$0.00579 per kWh to \$0.007876 per kWh and was applied to customers' billings. For the month of January, \$258,161 was collected to help offset generation costs. For the month of January, a surplus of \$43,544 will be added to the PPA Fund. The PPA Fund is now a deficit of \$49,235 and will be monitored and flowed through to customers at a later date. For the month of January, a Transmission Cost Adjustment (TCA) of \$0.00526 per kWh was applied to customers' billings and \$172,469 was collected to help offset a deficit of \$111,622. The net surplus of \$60,847 will be charged to the TCA Normalization Fund. The TCA Fund now is a credit of \$154,371 and includes interest income on the Fund.

25. Management has received a formal request from the Parent Faculty Organization of Ella T. Grasso-Southeastern Technical High School for their scholarship fund. The Commission has been supporting this program for a number of years with a \$500 donation given as a \$250 award to a graduating student in the electrical trade and a \$250 award given to a graduating student in the plumbing trade.

26. Senior Water Distribution Operator Charles H. Hall tendered his notice to retire effective January 29, 2010. Charlie joined Groton Utilities in November 1979 and has been a dedicated Water Division employee. A retired chief of the United States Navy, Charlie shared many stories of his service in the Navy. Charlie has worked for Groton Utilities for thirty-one (31) years as a meter reader, watershed mechanic and distribution operator. Charlie always took great pride in his job, was extremely hard working, and excelled at mentoring interns, seasonal help and training new employees. Management thanks Charlie for his years of service and wishes him well in his retirement.

27. Water Treatment Chief Plant Operator (CPO) Thomas Caronia tendered his notice to retire effective February 1, 2010. Tom joined Groton Utilities in October 1977 and was the fourth CPO since the Water Treatment Plant started in 1939. With his developed mechanical ability from his service at Electric Boat, and the respectful manner in which he treated everyone, he was an inspiring leader. During his tenure with the Water Division, Tom represented the City of Groton in a fine manner. Management thanks Tom for his years of service and wishes him well in his retirement.

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

Commissioner DeMuzzio asked for an update on the CMEEC Smart Grid project. General Manager Conner stated the project is moving forward. It is anticipated that the contract will be approved by the State of Connecticut, Department of Energy (DOE) in March. Deputy Director Collard is working on the accounting and recordkeeping committee. A committee has been formed to work on the meters data management and will be analyzing vendor/software viability to aggregate all data received from the grant participants. Management has been informed that costs associated with equipment purchases and work on the grant award since August 6, 2009 will be reimbursable. Manager Wehner has been working on establishing work progress with the software provided by CMEEC.

Old Business

Agenda Item 9a: Management Review and Update of Water Cost of Service Study in preparation to seek approval to move forward with a water rate increase

General Manager Conner reported that the rate consultant continues to work on a complete and comprehensive cost of service study. Management anticipates a rate increase of 15-18% and expects to have more information to provide to the Commission at its March 24, 2010 meeting. Director Yatcko reminded the Commission that when the rates were increased in October 2008, the increase was presented as phase one of a two part increase. General Manager Conner has contacted Groton Utilities' large industrial customers and informed them of a potential rate increase. Commissioner DeMuzzio requested the rate increase presentation include competitors' rates and increase information.

Report Item No. *1, GUC-10-01-138a: Consideration of and Action to authorize Management to issue purchase orders for data storage hardware, virtualization servers, virtualization software and professional services to Gotham Technology Group, LLC, 4 Research Drive, Shelton, Connecticut for a total amount not to exceed Two Hundred Eight Thousand, Four Hundred Forty-Six Dollars and Twenty-Two Cents (\$208,446.22) to be paid from funds available in the Restricted Fund established and approved by the Utilities Commission at its July 26, 2006 meeting, and furthermore, that the City Council be apprised of this action with the recommendation that it concur

Dunbar-Rose / Rabbitaille that the City of Groton Utilities Commission authorize Management to issue purchase orders for data storage hardware, virtualization servers, virtualization

software and professional services to Gotham Technology Group, LLC, 4 Research Drive, Shelton, Connecticut for a total amount not to exceed Two Hundred Eight Thousand, Four Hundred Forty-Six Dollars and Twenty-Two Cents (\$208,446.22) to be paid from funds available in the Restricted Fund established and approved by the Utilities Commission at its July 26, 2006 meeting, and furthermore, that the City Council be apprised of this action with the recommendation that it concur.

General Manager Blanchette reported there has not been as much vendor participation in submitting quotes as Management had anticipated. Management has received additional cost estimates from one vendor; however, the quote did not meet the specifications of the project. Management was also contacted by a vendor working with the Connecticut Municipal Electric Energy Cooperative (CMEEC) and Norwich Public Utilities (NPU). To date, Management has been unable to schedule a meeting with the vendor for a review of the scope of the project.

General Manager Blanchette responded to Commissioners' questions regarding how the project was bid, the difficulty in bidding the project without disclosing security information, the advantage vendors would have in resubmitting bids should the project be rejected at this time, and how the current equipment would be retrofitted to be utilized as a virtualization command center and across the entire network.

So voted unanimously.

Report Item No. *2, GUC-10-01-141a: Consideration of and Action to approve the purchase of a parcel of land located on Old Buddington Road, adjacent to the Poquonnock Reservoir, for a total cost not to exceed Five Hundred Thousand Dollars and No Cents (\$500,000.00) to be paid from funds available in the approved 1995 Water Bond Fund, and furthermore, that the City Council be apprised of this action with the recommendation that it concur

Rabitaile / Dunbar-Rose that the City of Groton Utilities Commission approve the purchase of a parcel of land located on Old Buddington Road, adjacent to the Poquonnock Reservoir, for a total cost not to exceed Five Hundred Thousand Dollars and No Cents (\$500,000.00) to be paid from funds available in the approved 1995 Water Bond Fund, and furthermore, that the City Council be apprised of this action with the recommendation that it concur. So voted unanimously.

New Business

Report Item No *3, GUC-10-02-142: Consideration of and Action to appoint Director of Utilities Paul Yatcko to serve as a Representative of Groton Utilities to the CMEEC Board of Directors to complete the three-year term of Terry H. Eames expiring on December 31, 2010

Rabitaile / Dunbar-Rose that the City of Groton Utilities Commission appoint Director of Utilities Paul Yatcko to serve as a Representative of Groton Utilities to the CMEEC Board of Directors to complete the three-year term of Terry H. Eames expiring on December 31, 2010. So voted unanimously.

Report Item No. *4, GUC-10-02-143: Consideration of and Action to appoint Utilities Commissioner _____ as Clerk of the City of Groton Utilities Commission, effective immediately

DeMuzzio / Dunbar-Rose that the City of Groton Utilities Commission appoint Utilities Commissioner Rabitaile as Clerk of the City of Groton Utilities Commission, effective immediately. So voted unanimously.

At 11:24 a.m., Chairman Popp recessed the meeting.

At 12:04 p.m., Chairman Popp reconvened the meeting.

Present were Mayor Popp, Commissioners DeMuzzio, Dunbar-Rose, and Rabitaille; Director of Utilities Yatcko, Deputy Director-Administrative Services Collard, General Manager-Major Accounts and Rates & Revenue Requirements Conner, Utilities Administrative Supervisor Stubelick; and Executive Assistant Gaudette.

At 12:05 p.m., Rabitaille / DeMuzzio that this meeting go into Executive Session to discuss Business Strategies and that Director of Utilities Yatcko, Deputy Director Collard, and General Manager Conner be included. So voted unanimously.

Present in Executive Session were Mayor Popp, Commissioners DeMuzzio, Dunbar-Rose, and Rabitaille; Director of Utilities Yatcko, Deputy Director-Administrative Services Collard, and General Manager-Major Accounts and Rates & Revenue Requirements Conner.

At 12:28 p.m., Rabitaille / Dunbar-Rose that this meeting return to Open Session. So voted unanimously.

Adjournment

There being no further business, at 12:29 p.m., Rabitaille / Dunbar-Rose that this meeting adjourn. So voted unanimously.

Attest:

Dennis L. Popp
Clerk Pro Tem