

# CITY OF GROTON UTILITIES COMMISSION

## MINUTES OF SPECIAL MEETING

June 30, 2010

A special meeting of the City of Groton Utilities Commission was held this date at which Mayor Popp, Commissioners Duarte and Dunbar-Rose; Director of Utilities Yatcko, Deputy Director-Administrative Services Collard, Deputy Director-Water/PAF Cummings, Deputy Director-Electric Roche; General Manager-Information Technology Blanchette, General Manager-Commercial Accounts and Power Requirements Mediavilla, General Manager-Electric Operations Surprenant; and Executive Assistant Gaudette were present.

The meeting was called to order by Mayor Popp at 4:02 p.m.

### **New Business**

#### A. Fiscal Year 2010-2011 Budget Review

Director of Utilities Yatcko gave an overview of the proposed Fiscal Year 2010-2011 Operating and Capital Budgets for the Electric and Water Divisions. Highlights include:

- Limit of electric rate relief to energy adjustments / transmission cost adjustment only
  - No change in base rates
- Water rate increase scheduled to be implemented on August 1, 2010 included in Revenue
- Static business strategy
  - No new strategic initiatives beyond current momentum
- Maintain transfer to City of \$3,100,000

#### Electric Division Budget Highlights:

Total revenue for the Electric Department reflects reduced pass-thru sales and weaker commercial and industrial sales due to economic conditions. Residential consumption declines by 4.6%, and residential revenue increases due to PPA, TCA and CLM charges. Expenses are dominated by purchased power and pass-thru energy. Non-energy Operation and Maintenance costs increase 5.6% from prior budget, with labor and lower capital loading being the primary drivers.

Deputy Director Roche provided an explanation of the proposed Osmose Utility Services, Inc. survey. A similar study was done a few years ago in the Bozrah Light and Power Company territory. The need for the survey is due to AT&T requiring Groton Utilities to maintain our own pole attachments. The survey will provide a complete database of all utility poles in Groton Utilities' service territory.

Reserve funding includes funding for vehicle replacements, road and parking lot repair, and software upgrades. Non-bonded capital projects include new and replacement meters with Sensus

AMR meters, Buddington Substation underground to 322-line project; Bridge Street traffic light project, and voltage conversion at various locations.

The Commission discussed the list of vehicles scheduled for replacement and the criteria used to determine when vehicles should be replaced.

Water Division Budget Highlights:

Total Revenue includes the rate increase effective August 1, 2010. A decrease in residential, commercial and industrial consumption produces an 8% reduction in revenue before application of the rate increase. Reserve funding is restored to \$175,000, pro-rated for eleven (11) months of the rate increase.

The Commission discussed the GAC filter beds, the debt service to the Electric Division, reserve accounts, and the benefits and drawbacks of constructing a new Water Treatment Plant versus updating the current facility.

Director Yatcko asked the Commission to review the information provided and to contact his office or Deputy Director Collard with any questions.

**Adjournment**

There being no further business, at 5:10 p.m., Dunbar-Rose / Duarte that this meeting adjourn. So voted unanimously.

Attest:

Dennis L. Popp  
Clerk Pro Temp