

CITY OF GROTON UTILITIES COMMISSION

Minutes of Regular Meeting

February 22, 2012

1. CALL TO ORDER

Chairperson Galbraith called the meeting to order at 11:03 a.m.

ROLL CALL

Present: Chairperson Mayor Marian K. Galbraith
Commissioners: Edward E. DeMuzzio, Paul A. Duarte, Shirleyann Dunbar-Rose,
Bruce J. Fafard

Staff present: Director of Utilities Paul Yatcko
General Manager-Information Technology Susan G. Blanchette
General Manager-Utility Finance David F. Collard
General Manager-Electric Herbert D. Cummings
General Manager-Customer Service Tina M. Daniels
General Manager-Water Richard M. Stevens
Manager-Major Accounts Leonard J. Mediavilla
Manager-Engineering Brian J. Roche
Manager-Operations Randall S. Surprenant
Manager-Energy Service Noel J. Wehner
Executive Assistant Deborah J. Gaudette

Absent:

Also present were Mr. Drew Rankin, CEO, Connecticut Municipal Electric Energy Cooperative (CMEEC) and Mr. Phil Sussler, General Council, CMEEC.

2. APPROVE MINUTES OF REGULAR MEETING OF JANUARY 25, 2012

Dunbar-Rose / Fafard that the minutes of the regular meeting of January 25, 2012 be approved. **So voted unanimously.**

3. REVIEW AND ACCEPTANCE OF TREASURER'S REPORT

Fafard / Dunbar-Rose that the Treasurer's Report be accepted as presented. **So voted unanimously.**

4. COMMUNICATIONS AND CORRESPONDENCE

There were no Communications or Correspondence to report.

5. PUBLIC COMMUNICATIONS

There were no members of the public present.

6. CMEEC BOARD OF DIRECTORS REPORT

Mr. Drew Rankin gave a summary presentation of new power supply and transmission contracts. Director Yatchko will schedule a more informative meeting with staff and the Commission.

7. REGIONAL WATER UPDATE

General Manager Stevens briefed the Commission on the most recent Technical Advisory Committee (TAC) meeting. The TAC was asked to review the legislative language regarding the proposal of the Southeastern Connecticut Council of Governments (SCCOG) to become the regional water authority.

8. MONTHLY FINANCIAL HIGHLIGHTS

General Manager Collard presenting the following financial highlights:

Electric:

- For January, a surplus of \$131,996 was added to the TCA made possible by returns from TRANSCO that reduced the transmission costs for December by 69%. A \$16,736 surplus was added to the PPA fund.
- The impact of Tropical Storm Irene expenses for restoration for fiscal year-to-date is \$263,000. The Finance Department has submitted an application to FEMA for aid, which is presently being processed. Aid in the amount of \$310,000 is anticipated.
- A warmer January drove lower revenues in the residential and commercial classes, which resulted in net income that is 37.6% below budget for the month.
- For the fiscal year-to-date, net income is 7.6% more than budget, including Tropical Storm Irene expenses. Reflecting the anticipated aid from FEMA, the fiscal year-to-date net income would be 13% more than budget.

Water:

- Water Revenues are almost 1.5% below budget for the month. Industrial Revenue is the big leader in the negative variance.
- Despite lower than budget revenues, net earnings are more than 80% higher than budget primarily due to lower O&M expenses. For the fiscal year-to-date, net earnings are more than 60% higher than budget.
- Net Earnings before debt principal and depreciation is over \$1.6 million.

9. PROJECTS / INITIATIVES UPDATE

General Manager Cummings gave an overview of the Buddington Road Substation Transformer Containment project. Due to the location of the substation, the containment needs to be concrete. This project is an approved fiscal year 2012 budget project.

Manager Surprenant gave an update on the Supervisory Control and Data Acquisition (SCADA) project. The project began in February 2011. Project Management is working with CMEEC on generating a point lists for the SCADA as CMEEC has recently completed a SCADA project as part of their 50 in 5 project.

10. OLD BUSINESS

Mayor Galbraith asked for an update on the interconnection agreement with Aquarion. General Manager Stevens reported that Aquarion is reviewing the most recent changes, and Management expects to have the finalized agreement ready for signature very soon.

11. NEW BUSINESS

Executive Session

At 11:57 a.m., **Dunbar-Rose / DeMuzzio** that this meeting go into Executive Session for a Management Review Management Review of Settlement and Release Agreement with HRP, LLC and J.E. Ackley, LLC and that Director Yatchko, and General Managers Daniels be included. **So voted unanimously.**

At 12:06 p.m., **Fafard / DeMuzzio** that this meeting return to Open Session. **So voted unanimously.**

Open Session

Consideration of and Action to Authorize Management to Enter into a Settlement and Release Agreement with HRP, LLC and J.E. Ackley, LLC and furthermore, that the City Council be apprised of this action with the recommendation that it concur and Mayor Marian K. Galbraith be Authorized to execute the Agreement

Duarte / DeMuzzio that the City of Groton Utilities Commission Authorize Management to enter into a Settlement and Release Agreement with HRP, LLC and J.E. Ackley, LLC and furthermore, that the City Council be apprised of this action with the recommendation that it concur and Mayor Marian K. Galbraith be authorized to execute the Agreement. **So voted unanimously.**

13. ADJOURNMENT

There being no further business, at 12:07 p.m., **Dunbar-Rose / DeMuzzio** that this meeting adjourn. **So voted unanimously.**

Attest:

Paul A. Duarte
Clerk