

CITY OF GROTON UTILITIES COMMISSION
Minutes of Regular Meeting
April 25, 2012

1. CALL TO ORDER

Chairperson Galbraith called the meeting to order at 10:13 a.m.

ROLL CALL

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

Excused:

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-Engineering Brian J. Roche
Executive Assistant Deborah J. Gaudette

2. APPROVE MINUTES OF REGULAR MEETING OF MARCH 28, 2012 AND SPECIAL MEETING OF MARCH 16, 2012

Dunbar-Rose / DeMuzzio that the minutes of the regular meeting of March 28, 2012 be approved. **So voted unanimously.**

Duarte / Dunbar-Rose that the minutes of the Special meeting of March 16, 2012 be approved. The vote on the motion was 3 ayes and 2 abstentions (**Commissioners DeMuzzio and Fafard**). **The motion carried.**

3. REVIEW AND ACCEPTANCE OF TREASURER'S REPORT

Duarte / DeMuzzio that the Treasurer's Report be accepted as presented. **So voted unanimously.**

4. COMMUNICATIONS AND CORRESPONDENCE

- Letter dated March 23, 2012 from the Groton Education Foundation thanking Groton Utilities for its contribution to the *Groton's Dancing with the Stars* event.

5. PUBLIC COMMUNICATIONS

There were no members of the public present.

6. CMEEC BOARD OF DIRECTORS REPORT

Commissioner DeMuzzio reported the bond closing is scheduled for April 26, 2012.

7. REGIONAL WATER UPDATE

Mayor Galbraith reported that the Southeastern Connecticut Council of Governments (SCCOG) has invited the Southeastern Connecticut Water Authority (SCWA) to have a representative attend SCCOG's meetings. General Manager Stevens reported revisions to the draft outline of possible participants in a sub-regional stake holders meeting. Groton has presented its' revisions, including listing Groton as the Lead Community in the southeast, and adding North Stonington, Ledyard and the Mohegan Tribal Utility Authority (MTUA), to the Technical Advisory Committee (TAC).

8. MONTHLY FINANCIAL HIGHLIGHTS

General Manager Collard presenting the following financial highlights:

Electric:

- The returns from TRANSCO reduced the transmission costs for February about 50%. Thereby minimizing the high transmission costs for February that resulted in a deficit charge to the TCA fund of only \$877. A \$26,647 surplus was added to the PPA fund.
- The impact of Tropical Storm Irene expenses for restoration for the fiscal year-to-date is \$263,000. The Finance Department has submitted an application to the Federal Emergency Management Agency (FEMA) for aid. Aid in the amount of \$180,000 is anticipated.
- A warmer March drove lower revenues in the residential class. Heating degree days were 24 below last year. The Navy owns the major share of the almost 20% negative variance in the industrial revenues class.
- For the three (3) months beginning February 1, 2012, Management directed CMEEC to decrease the price paid for power by \$18/mWh, from \$96.28 to \$78.28/mWh. Deficiencies in covering the actual monthly power cost that may occur as a result will be covered by Groton's Rate Stabilization Fund at CMEEC, which would ultimately be replenished by the Trust. Management expects this action to improve cash flow by approximately \$500,000 per month. The monthly PPA formula was adjusted to prevent the decrease in power cost from accruing into the local PPA Fund for future distribution to customers. To date, the adjustment had provided a benefit of \$945,000.
- Net income for the month is 185% more than budget due to the reduction in power cost that would otherwise have been 61% above budget.

Water:

- Water Revenues are almost 5% below budget for the month, driven by industrial revenues that were 11.2% below budget. The Navy owns the major share of the almost 34% negative variance in industrial revenues.
- Net earnings for the month were 58% lower than budget, primarily due to the negative variance in the industrial revenues. For the fiscal year-to-date, net earnings are more than 57% higher than budget.
- Net earnings before debt principal and depreciation is over \$1.8 million.

9. PROJECTS / INITIATIVES UPDATE

There were on project updates to report.

10. OLD BUSINESS

Agenda Item 10A, GUC-12-04-04: Consideration of and Action to authorize Management to issue a Purchase Order to Calgon Carbon Corporation for the Purchase of Granular Activated Carbon to be Replaced in Water Treatment Plant Filters No. 5, 6 and No. 13 in the Quoted Amount Not to Exceed Ninety Seven Thousand, Six Hundred Eighty Dollars and No Cents (\$97,680.00) to be Paid from Non

Bonded Capital Funds Available in the Approved Fiscal Year 2011-2012 Water Division Budget, and Furthermore, that the City Council be Apprised of this Action with the Recommendation that it Concur

Fafard / Dunbar-Rose that the City of Groton Utilities Commission authorize Management to issue a purchase order to Calgon Carbon Corporation for the purchase of Granular Activated Carbon to be replaced in Water Treatment Plant Filters No. 5, 6 and No. 13 in the quoted amount not to exceed Ninety Seven Thousand, Six Hundred Eighty Dollars and No Cents (\$97,680.00) to be paid from Non Bonded Capital Funds available in the Approved Fiscal Year 2011-2012 Water Division Budget, and furthermore, that the City Council be apprised of this action with the recommendation that it concur. **So voted unanimously.**

11. NEW BUSINESS

Agenda Item No. 11A, GUC-12-04-05: Consideration of and Action to authorize Management to Proceed with the Bid Process for a Safety & Environmental Health Consultant

Dunbar-Rose / Duarte that the City of Groton Utilities Commission authorize Management to Proceed with the Bid Process for a Safety & Environmental Health Consultant. **So voted unanimously.**

Agenda Item No. 11B, GUC-12-04-08: Consideration of and Action to Authorize the Director of Utilities to enter into an Interim Agreement with Cornerstone Management LLC to be paid from funds available in the approved fiscal year 2011-2012 Operating Earnings fund

Duarte / Dunbar-Rose that the City of Groton Utilities Commission authorize the Director of Utilities to enter into an Interim Agreement with Cornerstone Management LLC to be paid from funds available in the approved fiscal year 2011-2012 Operating Earnings fund. **So voted unanimously.**

At 10:51 a.m., **Dunbar-Rose / Duarte** that this meeting go into **Executive Session** to discuss **Agenda Item No. 11B, GUC-12-04-06:** Management Review of Information Technology Department's Network Access Control (NAC) project and **Agenda Item No. 11C, GUC-12-04-07:** Management Review of Strategic Planning and that all Commissioners, Director Yatcko and General Manager Blanchette be included. **So voted unanimously.**

At 11:20 a.m., **Fafard / Dunbar-Rose** that this meeting return to Opens Session. **So voted unanimously.**

Dunbar-Rose / Fafard that the Agenda be amended to include the following:

“Consideration of and Action to authorize Management issue a purchase order for all hardware, software and first year support associated with the proposed Network Access Control (NAC) solution to JKS Systems, LLC, 18 Ruby Road, Marlborough, Connecticut in the amount of Seventy Seven Thousand Twenty Five Dollars and Sixty Cents (\$77,025.60) to be paid from funds available in the approved fiscal year 2011-2012 Non-Bonded Capital Projects, and furthermore, that the City Council be apprised of this action with the recommendation that it concur.”

So voted unanimously.

Dunbar-Rose / Duarte that the City of Groton Utilities Commission authorize Management to issue a purchase order for all hardware, software and first year support associated with the proposed Network Access Control (NAC) solution to JKS Systems, LLC, 18 Ruby Road, Marlborough, Connecticut in the amount of Seventy Seven Thousand Twenty Five Dollars and Sixty Cents (\$77,025.60) to be paid from funds available in the approved fiscal year 2011-2012 Non-Bonded Capital Projects and furthermore,

that the City Council be apprised of this action with the recommendation that it concur. **So voted unanimously.**

12. ADJOURNMENT

There being no further business, at 11:23 a.m., **Duarte / Dunbar-Rose** that this meeting adjourn. **So voted unanimously.**

Attest:

Paul A. Duarte
Clerk