

CITY OF GROTON UTILITIES COMMISSION
Minutes of Regular Meeting
June 27, 2012

1. CALL TO ORDER

Chairperson Galbraith called the meeting to order at 10:30 a.m.

ROLL CALL

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

Excused: Bruce J. Fafard

Staff present: Director of Utilities Paul Yatcko via conference call
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
Manager-Water Richard M. Stevens
City of Groton Finance Director Hillsberg
Executive Assistant Deborah J. Gaudette

2. APPROVE MINUTES OF REGULAR MEETING OF MAY 23, 2012

Dunbar-Rose / DeMuzzio that the minutes of the regular meeting of May 23, 2012 be approved. **So voted unanimously.**

3. REVIEW AND ACCEPTANCE OF TREASURER'S REPORT

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

4. COMMUNICATIONS AND CORRESPONDENCE

- Letter dated May 25, 2012 from Tobin, Carberry, O'Malley, Riley & Selinger, P.C. regarding the Poquonock Bridge Fire District

American Water Works Association (AWWA) 2012 Annual Conference & Exposition

Commissioner Duarte gave a review of the conference held June 10-14, 2012 in Dallas, Texas. He attended the Public Affairs track, and the underlying themes were the need for a robust, user friendly website that incorporated streaming video and the need for social media. Drink to Your Health, an elementary school program touting the benefits of tap water, was presented during the conference. Other topics included an advanced water treatment plant in San Diego that was built as a demo to inform the public about tap water, and rebate programs encouraging the use of xeriscape landscaping.

American Public Power Association (APPA) 2012 National Conference

Commissioner Dunbar-Rose gave a review of the conference held June 16-20, 2012 in Seattle, Washington. Commissioner Dunbar-Rose attended the Strategic Planning workshop, which stressed the importance of utilizing the plan and keeping it a living, working document. The workshop presenter suggested including the public in future strategic planning, and incorporating the company mission statement on business cards, in customer service areas, and on the company website.

She also attended a workshop on assessing the future of public power. The workshop presenter discussed how to prevent municipal utilities for being sold by including language in the City / Town Charters. Workshops also include the need for active social media to include interactive websites, Twitter notification of power outages, employee recognition on website, and posted updates on strategic planning. There was also discussion on possible lobbying to allow for the taxation of municipalities.

Mayor Galbraith reported on a meeting with Town of Ledyard Mayor Rodolico to discuss Ledyard residents access to the watershed areas and the possibility of scheduling additional opportunities for controlled public access and tours.

5. PUBLIC COMMUNICATIONS

There were no public comments.

6. CMEEC BOARD OF DIRECTORS REPORT

There was no CMEEC Board of Directors' meeting due to a combined Risk Management / Budget meeting. Members reviewed all CMEEC assets and all possible options for the assets and current projects. The Risk Management team will review the members' suggestions and will present a recommendation to the Board of Directors.

7. REGIONAL WATER UPDATE

Manager Stevens reported that the Technical Advisory Committee (TAC) reviewed the Southeastern Connecticut Water Authority's (SCWA) supplemental report and will discussed their recommendations at the next Regional Water meeting scheduled for July 11, 2012.

Manager Stevens also reported that Norwich couldn't support the Mohegan's recent water needs, therefore Groton Utilities has been supplying them water for the last eight (8) days. Manager Stevens responded to questions regarding the diversion permit and the amount of water provided to the Mohegans. Manager Stevens will provide a graph of current water demand at the next Commission meeting.

8. MONTHLY FINANCIAL HIGHLIGHTS

General Manager Collard presenting the following financial highlights:

Electric:

- The returns from TRNSCO reduced the transmission costs for April about 115, thereby minimizing the transmission costs for April, which resulted in a surplus added to the TCA fund of \$68,808. A surplus of \$13,881 was added to the PPA fund.
- Funds in the amount of \$182,573 were received from the Federal Emergency Management Agency (FEMA) during the month of May to offset the impact of Tropical Storm Irene restoration expenses, which were \$225,000 for the fiscal year. This is included in Other Income & Deductions Net on the Income Statement. Management has proposed an Action Item to authorize a withdrawal of \$72,000 from the Maintenance of Lines Reserve fund to offset the remaining storm restoration costs.
- Warmer weather continues to drive lower revenues in the residential class. Heating degree days were 18% below last year.
- Effective May 1, 2012, purchased power cost was restored to \$96.28/mWh. The adjustments made to power cost for the previous three (3) months yielded a benefit of \$1,353,000.00.

- For the fiscal year-to-date, net income is almost 32% more than budget largely due to the temporary reduction in power cost.

Water:

- Water Revenues are almost flat compared to budget for the month driven by Sales for Resale revenues 22% more than budget, which mostly offset the negative industrial revenue variance.
- Net Earnings for the month are almost 4 time more than budget primarily due to the lower than budget O&M Expenses.
- For the fiscal year-to-date, net earnings are almost 89% higher than budget primarily due to lower than budget O&M Expenses that more than offset lower revenues.
- Net earnings before debt principal and depreciation are over \$2.4 million.

9. PROJECTS / INITIATIVES UPDATE

General Manager Cummings reported the AMI project is ahead of schedule and 5,900 meters have been installed this year, for a total of 12,300 meters installed. The anticipated completion date for the meter installation is March 2013. General Manager Cumming commended Manager Noel Wehner on managing the project, and stated Customer Service has been keeping the Electric Division updated on any reported customer issues.

Commissioner Dunbar-Rose inquired about Google software that would allow customers to access their smart meter data from mobile devices. General Manager Cummings said management will look into options for this type of technology. General Manager Blanchette offered to provide a demonstration of current software interface for the Commission. General Manager Cummings also reported that Management will be starting a pilot program for City employees before going live with customers.

10. OLD BUSINESS

Agenda Item 10A, GUC-12-05-11: Consideration of and Action to approve the Operating and Capital Budgets for the Electric Division for Fiscal Year 2012-2013

Dunbar-Rose / Duarte that the City of Groton Utilities Commission approve the Operating and Capital Budgets for the Electric Division for Fiscal Year 2012-2013. **So voted unanimously.**

Agenda Item 10B, GUC-12-05-12: Consideration of and Action to approve the Operating and Capital Budgets for the Water Division for Fiscal Year 2012-2013

Duarte / Dunbar-Rose that the City of Groton Utilities Commission approve the Operating and Capital Budgets for the Water Division for Fiscal Year 2012-2013. **So voted unanimously.**

11. NEW BUSINESS

Agenda Item 11A, GUC-12-06-13: Consideration of and Action to authorize Groton Utilities' Management to utilize \$72,000 of the \$600,000 balance of the Maintenance of Lines Reserve fund to offset the remaining restoration cost of Tropical Storm Irene and to transfer this amount from the restricted cash account to the regular checking account

Duarte / Dunbar-Rose that the City of Groton Utilities Commission authorize Groton Utilities' Management to utilize \$72,000 of the \$600,000 balance of the Maintenance of Lines Reserve fund to offset the remaining restoration cost of Tropical Storm Irene and to transfer this amount from the restricted cash account to the regular checking account. **So voted unanimously.**

Agenda Item 11B, GUC-12-06-14: Consideration of and Action to authorize the Water and Electric Departments to provide the following free services from July 1, 2012 to June 30, 2013:

- a. Water and electricity to Fort Griswold State Park and Groton Monument House – approximately \$3,400.00
- b. Water and electricity to Bill Memorial Library – approximately \$6,300.00
- c. Illumination of the United States Flag during hours of darkness at the Groton Monument – approximately \$250.00
- d. Water and electricity to Washington Park – approximately \$25,500.00
- e. Water and electricity to Avery Copp Carriage House and Museum – approximately \$1,500.00

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- d. Water and electricity to Washington Park – approximately \$25,500.00
- e. Water and electricity to Avery Copp Carriage House and Museum – approximately \$1,500.00

Commissioner Dunbar-Rose asked of groups from surrounding areas pay for lighting the fields during evening usage at Washington Park. Director Hillsberg will look into the issue and report back to the Commission.

So voted unanimously.

Agenda Item 11C, GUC-12-06-15: Management review of request to utilize the services of Fay, Spofford, and Thorndike to perform the final design of Water Treatment Plant Rebuild project

Manager Stevens gave an overview of the project and the recommendation to utilize Fay, Spofford and Thorndike to perform the final design.

12. ADJOURNMENT

There being no further business, at 11:40 a.m., **Dunbar-Rose / DeMuzzio** that this meeting adjourn. **So voted unanimously.**

Attest:

Paul A. Duarte
Clerk