

CITY OF GROTON UTILITIES COMMISSION

Minutes of Regular Meeting

August 22, 2012

1. CALL TO ORDER

Chairperson Galbraith called the meeting to order at 10:42 a.m.

ROLL CALL

Present: Chairperson Mayor Marian K. Galbraith

Commissioners: Edward E. DeMuzzio, Paul A. Duarte, Bruce J. Fafard

Excused: Shirleyann Dunbar-Rose

Staff present: 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
Executive Assistant Deborah J. Gaudette

2. APPROVAL OF MINUTES

Duarte / DeMuzzio that the minutes of the regular meeting of July 25, 2012 be approved. **So voted unanimously.**

3. REVIEW AND ACCEPTANCE OF TREASURER’S REPORT

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

4. COMMUNICATIONS AND CORRESPONDENCE

Mayor Galbraith reported on an article in the August 22, 2012 *The Day* newspaper regarding the Poquonnock Bridge Fire District.

5. PUBLIC COMMUNICATIONS

There were no public comments.

6. CMEEC BOARD OF DIRECTORS REPORT

Director DeMuzzio reported that CMEEC celebrated member George Leary’s retirement. The Board had discussions of various CMEEC assets, and the refinancing of the Pierce Plant Project. The Board is also looking into liquating the generating units used to reduce peak as the maintenance costs are expensive and the value of the units has declined. The evaluation of the 50 in 5 Project is ongoing and the Board is expected to vote on the issue at the August 23, 2012 meeting.

7. REGIONAL WATER UPDATE

Mayor Galbraith reported she is now a representative to the Southeastern Connecticut Water Authority (SCWA) and the Authority has been working on the following issues:

- Discussions with the owners of Millers Pond in Waterford regarding property access
- Alternative sources of income including providing interest free loans to homeowners for hookups to municipal water lines
- Overseeing operation of the Ledyard and Montville water treatment facilities
- Potential of offering service contracts to homeowners

Mayor Galbraith reported on the August 2012 Southeastern Connecticut Council of Government (SCCOG) meeting:

- The meeting was attended by representatives of the State of Connecticut, Department of Energy and Environmental Protection (DEEP) and Department of Public Health (DPH) representatives
- A suggestion was made to reassemble the Water Utilities Coordinating Committee (WUCC) to make recommendations regarding the update and implementation of the regional water plan

Manager – Water Stevens reported the Technical Advisory Committee (TAC) has reviewed North Stonington’s Request for Proposal (RFP) for potential water supplies. Comments included looking for robust alternative systems as opposed to just groundwater supplies.

8. MONTHLY FINANCIAL HIGHLIGHTS

General Manager Collard presenting the following financial highlights:

Electric:

- A Balance Sheet is now included with the monthly Electric Division financials. Thames Valley Communications, Inc. (TVC) Notes Receivable is included in lines 19-22. Retained Earnings show the effects of writing off TVC receivables at June 30, 2012
- Effective July 1, purchased power cost was reduced from \$96.28 to \$92.51/mWh, which will continue for the fiscal year according to the budget plan. This will improve cash flow from July operations by about \$125,000.
- A deficit of \$71,000 was deducted from the TCA leaving a balance of \$679,000. A \$21,000 surplus was added to the PPA fund leaving a balance of \$575,000.
- New section in Income Statement, lines 51 – 57, shows the effects of the payments received from TVC, interest expense associated with outstanding debt and the write-off of the July expenses unpaid by TVC. Line 49, Net Income from Operations, now shows the pure utility net from operations without any cost associated with TVC.
- The net income for the month is 64% more than budget, driven by higher than budget revenues combined with lower operation expenses for the month.

Water:

- A Balance Sheet is now included with the monthly Water Division financials.
- Line 28 shows the effect of last year’s positive earnings on the Water Division cash, which went from owing the Electric Division \$644,000 to a positive \$283,000.
- Water Revenues are 9.5% below budget for the month, driven by the large industrial customers. Rainfall for the month of July was 26% more than last year and cooling degree days were 5.2% less than last year.
- Operation & Maintenance expenses were 30% less than budget.
- Net earnings are more than 31% or \$82,000 higher than budget primarily due to lower than budget O&M Expenses, which more than offset lower revenues.

9. PROJECTS / INITIATIVES UPDATE

Projects and Initiatives updates will be included in the tour of the SCADA and Water Quality Laboratory Relocation Projects.

10. OLD BUSINESS

Agenda Item 10A, GUC-12-08-16: Consideration of and Action to authorize Management to approve a one (1) year contract with four (4) option years with JLN Associates, LLC, 177 Mile Creek Road, Old Lyme, Connecticut in the amount not to exceed \$75,000 for a Safety & Environmental Health Consultant to be paid from funds available in the approved Fiscal Year 2012-2013 Safety and Prevention budget and furthermore, that the City Council be apprised of this action with the recommendation that it concur

Duarte / Fafard that the City of Groton Utilities Commission authorize Management to approve a one (1) year contract with four (4) option years with JLN Associates, LLC, 177 Mile Creek Road, Old Lyme, Connecticut in the amount of not to exceed \$75,000 for a Safety & Environmental Health Consultant to be paid from funds available in the approved Fiscal Year 2012-2013 Safety and Prevention budget and furthermore, that the City Council be apprised of this action with the recommendation that it concur.

General Manager Cummings gave an overview of the Request for Proposal for the Safety and Environmental Health Consultant. The RFP was advertised in both NEPPA and APPA. Several bids were received and the top four bidders were interviewed. After the interviews, the list was narrowed to the top two bidders.

General Manager Cummings gave an overview of the top two bidders, listing the pros and cons of each bidder. The Commission discussed the background, experience, location and cost of each bidder.

So voted unanimously.

11. NEW BUSINESS

There was no New Business to discuss.

12. ADJOURNMENT

There being no further business, at 11:10 a.m., **Duarte / Fafard** that this business portion of this meeting adjourn and conclude with a tour of the SCADA and Water Treatment Plant Laboratory Rebuild Projects at the Operations Complex. **So voted unanimously.**

Attest:

Paul A. Duarte
Clerk