

CITY OF GROTON UTILITIES COMMISSION

Minutes of Regular Meeting

September 26, 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, Shirleyann Dunbar-Rose,
Bruce J. Fafard

Excused:

Staff present: Director of Utilities Paul Yatcko
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

DeMuzzio / Fafard that the minutes of the regular meeting of August 22, 2012 be approved. The vote on the motion was 4 ayes and 1 abstention (Commissioner Dunbar-Rose). **The motion carried.**

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

There were no Communication or Correspondence to report.

5. PUBLIC COMMUNICATIONS

There were no members of the public present.

6. CMEEC BOARD OF DIRECTORS REPORT

Commissioner DeMuzzio reported on the revised meeting format, including a "dashboard" presentation of documentation for the meeting. The Risk Management Committee is reviewing the power purchasing procedure. A review of the potential refinancing of the 50 in 5 Project and consideration of what to do with the remaining four (4) units is ongoing.

7. REGIONAL WATER UPDATE

Manager Stevens reported the Technical Advisory Committee has created a Technical Advisory Subcommittee (TAS). The Committee is reviewing the regional water diversion permits. Groton Utilities had been asked to provide preliminary data regarding the amount of excess water the City has,

as well as potential rates regarding the regional sale of the excess treated water. Management will present its finding to the Utilities Commission prior to providing the information to the TAS.

8. MONTHLY FINANCIAL HIGHLIGHTS

General Manager Collard presenting the following financial highlights:

Electric:

- The balance sheet reports Cash at \$4.9 million dollars, considerably more than last August's balance. TVC Notes Receivable is equal to \$149,850 on the monthly principal.
- Effective July 1, 2012, purchase power costs 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 August operations by \$127,000, and \$252,000 year-to-date.
- Groton Utilities' share of the TRANSCO contributed to a surplus of \$112,000 that was added to the TCA, leaving a balance of \$790,000. A \$38,000 surplus was added to the PPA fund, leaving a balance of \$613,000.
- O&M expenses are 7% over budget. A 5 week pay month and additional administrative expenses contributed.
- The net income for the month was 14.5% below budget and is driven by the higher than budgeted revenues combined with higher operation expenses for the month. Year-to-Date net income is 13% more than budget. Billable kWhs from August will be recovered in September.

Water:

- The balance sheet reports the effect of last year's cash flow which decreased from owing the Electric Division \$485,000 to a positive \$351,000.
- Water revenues are 7% below budget for the month, driven by the three (3) large industrial customers.
- Rainfall for the month of August was 65% less than last year, and cooling degree days were 6% more than last year.
- O&M expenses were 11% less than budget.
- Net earnings are more than 2.5% higher than budget due to lower than budget O&M expenses that more than offset lower than budget revenues. Fiscal year-to-date net earnings are 12% more than budget. Lower revenues driven by the three (3) large industrial customers are offset by 18% lower than budget operating expenses.

9. PROJECTS / INITIATIVES UPDATE

Automated Meter Reading (AMR) SMART Grid Project

General Manager Cummings reported approximately 1,300 residential meter installations remain. Installation of demand meters is anticipated in the near future.

SCADA Project

The SCADA project is moving along very well.

Buddington Substation Containment Project

The Buddington Substation Containment Project is expected to be completed next week. All that will remain to be done is the grading.

New London Road Water Main Extension Project

Manager Stevens reported testing on the water main extension will be completed next week. There is a delay on the Aquarion side of the project due to awaiting permit approvals. It is anticipated that Aquarion will delay taking water until the first of the year.

Water Treatment Plant Laboratory Relocation Project

The project is complete and staff is operating out of the new facility.

Commissioner Duarte thanked staff for the tour of Operations facility in August. He found the tour very informative. Commissioner Fafard concurred and stated he felt a high degree of pride by all staff involved.

IT Projects

General Manager Blanchette gave an update on the MeterSense and Office 2010 / SharePoint / Exchange 2010 deployments.

10. OLD BUSINESS

- A. **Agenda Item 10A, GUC-12-09-17:** Consideration of and Action to authorize Management to issue a purchase order to Interstate Ford Truck Sales, Hartford, Connecticut for the purchase of two (2) 2013 Ford F350 4 Wheel Drive Utility Body Pickup trucks in the quoted amount not to exceed Fifty-Six Thousand, One Hundred Fourteen Dollars and No Cents (\$56,114.00) to be paid from funds available in the approved Fiscal Year 2012-2013 Water Division Budget Vehicle Replacement Fund, 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 issue a purchase order to Interstate Ford Truck Sales, Hartford, Connecticut for the purchase of two (2) 2013 Ford F350 4 Wheel Drive Utility Body Pickup trucks in the quoted amount not to exceed Fifty-Six Thousand, One Hundred Fourteen Dollars and No Cents (\$56,114.00) to be paid from funds available in the approved Fiscal Year 2012-2013 Water Division Budget Vehicle Replacement Fund, and furthermore, that the City Council be apprised of this action with the recommendation that it concur.

Manager Stevens reported the quote includes vehicle trade-ins, and is under budget for vehicle purchases.

So voted unanimously.

11. NEW BUSINESS

There was no New Business to discuss.

12. ADJOURNMENT

There being no further business, at 11:08 a.m., **DeMuzzio / Dunbar-Rose** that this meeting adjourn. **So voted unanimously.**

Attest:

Paul A. Duarte
Clerk