

CITY OF GROTON UTILITIES COMMISSION

Minutes of Regular Meeting

October 24, 2012

1. CALL TO ORDER

Chairperson Galbraith called the meeting to order at 10:28 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

Dunbar-Rose / DeMuzzio that the minutes of the regular meeting of September 26, 2012 be approved.
So voted unanimously.

3. REVIEW AND ACCEPTANCE OF TREASURER'S REPORT

Fafard / Duarte 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

Commissioner DeMuzzio reported on a new risk management manual and a new budget format at CMEEC. The proposed budget will be distributed at the October 25, 2012 meeting, and will be voted on at the November meeting.

The Board discussed the remaining four (4) units in the 50 in 5 Project. The Board voted for the units to be installed at Backus Hospital in Norwich with costs constrained at \$3 million. Cost overages will be paid by Norwich Public Utilities.

The Board also discussed the potential for additional power generation at the Subase in Groton.

General Manager Collard reported the Board also discussed the proposed replacement power supply contracts and membership agreements. The Board will meeting in November to review the proposed contracts.

Director Yatcko reported a Strategic Planning session has been scheduled for October 30th.

7. REGIONAL WATER UPDATE

There were no Regional Water meetings to report on.

8. MONTHLY FINANCIAL HIGHLIGHTS

General Manager Collard presenting the following financial highlights:

Electric:

- Cash for the month is \$2.2 million, considerably more than last September. Amount due to the General Fund is under \$3,000. TVC continues to pay \$149,850 on the principal for Notes Receivable.
- 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 September operations by approximately \$104,000. Year to date is \$356,000.
- A TCA surplus of \$19 was added to the TCA, leaving a balance of \$809,000. A PPA surplus of \$43,000 surplus was added to the PPA fund, leaving a balance of \$655,000.
- O&M expenses are 2% or \$16,700 less than budget for month and 4% or \$89,000 less for the fiscal year to date.
- Net income for the month is 1% less than budget and driven by lower than budget nonresidential revenues, mostly offset by lower operating expenses. Fiscal year to date income is almost 8% more than budget. Low line losses for the fiscal year to date indicate recovery of unbilled energy from previous periods.

Water:

- The effects of positive earnings on the Water Division cash went from owing the Electric Division \$231,000 to a positive \$610,000.
- Water revenues are 2% below budget for the month, driven by the residential class. For the fiscal year to date, revenues are 6% below budget driven by the industrial class. Rainfall for the month of September was 30% less and for the fiscal year to date 37% less than last year.
- Operation & Maintenance expenses for the month were 19% less than budget. For the fiscal year to date, revenues are almost 19% less than budget.
- Net earnings for the month are almost 69% higher than budget primarily due to lower than budget O&M Expenses, which more than offset lower revenues. Fiscal year to date net earnings are 28% more than budget. Lower revenues driven by the large industrials are offset by almost 19% lower than budget operating expenses.

9. PROJECTS / INITIATIVES UPDATE

General Manager Cummings reported the Village Lane project is complete. Two thirds of Governors Circle has also been completed, with the remaining work to be completed in the spring of 2013.

Manager Stevens reported the laboratory relocation project is complete and the lab is fully operational. An Open House will be scheduled in the future.

Manager Stevens also reported on an ongoing intern project of creating a digital catalog of algae in the reservoirs, a design team being formed for the proposed Water Treatment Plant Redesign Project, and meetings regarding the Thames Street Project.

Buddington Substation Containment Project

The project has been completed with only grading remaining.

New London Road Water Main Extension Project

Manager Stevens reported Aquarion is working on valve issue associated with their portion of the project. It is anticipated that Aquarion will begin taking water after January 1, 2013, once all the appropriated state permits have been issued.

IT Projects

General Managers Blanchette and Cummings reported the AMI project is going very well. Approximately 800 industrial / commercial meters remain to be installing in the Groton service territory. All software interfaces are being utilized in the test environment.

10. OLD BUSINESS

There was no Old Business to discuss.

11. NEW BUSINESS

A. **Agenda Item 11A, GUC-12-09-17a:** Consideration of and Action to authorize Management to appropriate an additional Five Hundred Dollars and No Cents (\$500.00) to Interstate Ford Truck Sales, 45 Brainard Road, Hartford, Connecticut for the purchase of Two (2) 2013 Ford F350 4 wheel drive Utility Body Pickup Trucks previously approved by Resolution R-12-10-92 to be paid from funds available in the approved fiscal year 2012-2013 Water Division Budget Vehicle Replacement Fund

DeMuzzio / Fafard that the City of Groton Utilities Commission authorize Management to appropriate an additional Five Hundred Dollars and No Cents (\$500.00) to Interstate Ford Truck Sales, 45 Brainard Road, Hartford, Connecticut for the purchase of Two (2) 2013 Ford F350 4 wheel drive Utility Body Pickup Trucks previously approved by Resolution R-12-10-92 to be paid from funds available in the approved fiscal year 2012-2013 Water Division Budget Vehicle Replacement Fund.

Manager Stevens reported this was necessary due to an error in reporting the original bid amount. Interstate Ford’s bid was still the low bid. Chairperson Galbraith stated a resolution appropriating the additional funds had already been approved by the City Council, pending the Commission’s approval.

So voted unanimously.

B. **Agenda Item 11B, GUC-12-10-18:** Consideration of and Action to adopt the Schedule of Meetings for Calendar Year 2013 as presented by Management

Schedule of Meetings
for
Calendar Year 2013

| | |
|--|-------------------------|
| City of Groton Utilities Commission | 9:00 a.m. |
| Meeting Dates (fourth Wednesday of the month except as noted): | |
| Wednesday, January 23 | Wednesday, July 24 |
| Wednesday, February 27 | Wednesday, August 28 |
| Wednesday, March 27 | Wednesday, September 25 |
| Wednesday, April 24 | Wednesday, October 23 |
| Wednesday, May 22 | Wednesday, November 20* |
| Wednesday, June 26 | Wednesday, December 18* |

**Suggested to avoid a meeting date before holidays*

Fafard / DeMuzzio that the City of Groton Utilities Commission adopt the Schedule of Meetings for Calendar Year 2013 as presented by Management.

Chairperson Galbraith stated it was decided to switch the time of the Thames Valley Communication (TVC) Board of Directors and Groton Utilities Commission meetings due to the TVC Board meetings generally running over the allotted time.

So voted unanimously.

12. ADJOURNMENT

There being no further business, at 11:07 a.m., **Dunbar-Rose / DeMuzzio** that this meeting adjourn. **So voted unanimously.**

Attest:

Paul A. Duarte
Clerk