

CITY OF GROTON UTILITIES COMMISSION
Minutes of Special Meeting
November 28, 2012

1. CALL TO ORDER

Chairperson Galbraith called the meeting to order at 10:52 a.m.

ROLL CALL

Present: Chairperson Mayor Marian K. Galbraith

Commissioners: Edward E. DeMuzzio, Paul A. Duarte, Shirleyann Dunbar-Rose,
Bruce J. Fafard

Staff present: Director of Utilities Paul Yatcko
General Manager-IT Susan G. Blanchette
General Manager-Electric Herbert D. Cummings
Executive Assistant Deborah J. Gaudette

2. APPROVAL OF MINUTES

Commissioner Dunbar-Rose moved, **Commissioner DeMuzzio** seconded that the minutes of the regular meeting of October 24, 2012 be approved. **So voted unanimously.**

Commissioner Dunbar-Rose moved, **Commissioner Fafard** seconded that the minutes of the special meeting of November 19, 2012 be approved. **So voted unanimously.**

3. REVIEW AND ACCEPTANCE OF TREASURER'S REPORT

Commissioner DeMuzzio moved, **Commissioner Duarte** seconded that the Treasurer's Report be accepted as presented. **So voted unanimously.**

4. COMMUNICATIONS AND CORRESPONDENCE

Mayor Galbraith reported there were numerous positive correspondence from customers regarding Groton Utilities and the City's response to Super-Storm Sandy.

The Commission discussed comments from surrounding communities regarding the municipalization of utilities.

5. PUBLIC COMMUNICATIONS

There were no public communications.

6. CMEEC BOARD OF DIRECTORS REPORT

Commissioner DeMuzzio reported the CMEEC Board of Directors approved the 2013 proposed budget, with no projected rate increase.

7. REGIONAL WATER UPDATE

There was no regional water update to report.

8. MONTHLY FINANCIAL HIGHLIGHTS

Director Yatcko presenting the following financial highlights:

Electric:

- As indicated on the Balance Sheet, cash for the month is \$2.3 million, considerably more than last October. The amount due to the General Fund is under \$3,000. TVC Notes Receivable continues to at \$149,850 per month.

- 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 October operations by about \$100,000, for a year-to-date total of \$456,000.
- A TCA deficit of \$74 was deducted from the TCA, leaving a balance of \$733,000. A PPA surplus of \$20,000 was added to the PPA fund, leaving a balance of \$675,000.
- Operation and Maintenance expenses are less than 1% less than budget for month and 3% or \$96,000 less for the fiscal year-to-date.
- The net income for the month is 62% more than budget and driven by higher than budget revenues, combined with lower operating expenses. The fiscal year-to-date net income is almost 14% more than budget. Low line losses for the fiscal year-to-date indicate recovery of unbilled energy from previous periods.
- Due to the misapplication of loss percentages related to the CMEEC 50 in 5 project, when reconstituting the usage data Fishers Island was overbilled from December 2010 – July 2012 a total of \$99,712. Of that amount \$89,137 effected fiscal year 2012 and \$10,575 will affect fiscal year 2013. The discrepancy was discovered as Fishers Island questioned the billing when their line losses began to run abnormally high beginning with the CMEEC generator operation in December 2012. Groton Utilities’ Project Management personnel did an outstanding job of investigating the matter, which resulted in the development of a mathematical formula to be applied to the metered usage that compensates for the running of the CMEEC generator on Fishers Island and reconstitutes the usage accurately. The formula is now being used by CMEEC to develop the monthly billing usage for Fishers Island and is also being monitored by Project Management.
- Preliminary Super Storm Sandy restoration Costs are \$207,846 for Groton Utilities and \$166,104 for Bozrah Light and Power Company.

Water:

- As indicated on the Balance Sheet, 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 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, O&M expenses 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

Buddington Substation Containment Project

General Manager Cummings reported the Buddington Substation Containment Project is essentially complete, with some grading work remaining.

SCADA Project

General Manager Cummings reported approximately 600 residential AMI meters remain to be installed. The remaining meter locations are in private basements or other hard to reach locations.

General Manager Blanchette reported that 11,457 meters have been installed to date. The billing system and INI interface is being tested today and will be tested utilizing a “real time” meter change out.

Director Yatchko asked General Manager Cummings to provide a detailed SCADA briefing at the January Utilities Commission Meeting.

10. OLD BUSINESS

There was no old business to discuss.

11. NEW BUSINESS

There was no new business to discuss.

12. ADJOURNMENT

There being no further business, at 11:25 a.m., **Commissioner Fafard** moved, **Commissioner DeMuzzio** seconded that this meeting adjourn. **So voted unanimously.**

Attest:

Paul A. Duarte
Clerk