

# CITY OF GROTON UTILITIES COMMISSION

Minutes of Regular Meeting

August 27, 2014

## 1. CALL TO ORDER

Chairperson Galbraith called the meeting to order at 10:01 a.m.

### ROLL CALL

**Present:** Chairperson Mayor Marian K. Galbraith

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

**Staff present:** Director of Utilities Paul Yatcho  
General Manager - Electric Herbert D. Cummings  
Manager - Water / PAF Richard M. Stevens  
Water Treatment Plant Senior Operator William Rossi  
Executive Assistant Deborah J. Gaudette

## 2. APPROVAL OF MINUTES

**Commissioner Fafard** moved, **Commissioner Duarte** seconded a motion to approve the minutes of the regular meeting of July 23, 2014. **Motion carried.**

## 3. REVIEW AND ACCEPTANCE OF TREASURER'S REPORT

**Commissioner Duarte** moved, **Commissioner DeMuzzio** seconded a motion to approve the Treasurer's Report for the month ending July 31, 2014. **Motion carried.**

## 4. COMMUNICATIONS AND CORRESPONDENCE

The following correspondence was received:

- Letter dated August 4, 2014 from Mr. Joseph Kowalski Jr. thanking Groton Utilities' for its' donation and support of the Major Steven Roy Andrews Fishing Outreach Program, Inc.
- Letter dated August 14, 2014 from Ms. Lian Obrey thanking Groton Utilities for selecting her to receive the 2014 Jacqueline B. Nixon Community Service Award

## 5. PUBLIC COMMUNICATIONS

There were no public communications.

## 6. CONNECTICUT MUNICIPAL ELECTRIC ENERGY COOPERATIVE (CMEEC) BOARD OF DIRECTORS REPORT

Commissioner DeMuzzio reported the Board of Directors approved a project to provide power to Lowell, Massachusetts. CMEEC will be providing approximately 330 megawatts, annual, over the three (3) year contract. A similar proposal is being considered for Marlborough, Massachusetts.

## 7. REGIONAL WATER UPDATE

Mayor Galbraith reported the Southeastern Connecticut Council of Governments (SCCOG) approved an application for grant funds due to Super Storm Sandy. One quarter of the funds will be matched by Norwich Public Utilities.

Manager Stevens reported Groton Utilities' crews assisted the City of New London during a recent water main break, and the new Aljen Heights pump station in the Town of Ledyard was put into service this week.

## **8. MONTHLY FINANCIAL HIGHLIGHTS**

General Manager Collard presented the following financial highlights:

### *Electric:*

- Overall electric revenues were almost 1.3% more than budget. The positive variance is primarily due to one (1) Industrial–Non-Manufacturing customer who took almost 2.6 million kWh more than budgeted, which more than offset declines in other classes of service. Lower cooling degree day requirements also had an impact on revenue performance.
- O&M Expenses for the first month of the new fiscal year are 8.8% less than budget. However, the accounting treatment for a one-time transmission cost true-up credit drove power costs higher than budget, resulting in Net Income that was 19% below budget for the month.

### *Water:*

- Water Revenues overall are 7.5% below budget for the month of July and 10% less than last year. The negative variance is driven by the Industrial and Sales for Resale customer class, which combined are almost \$64,000 less than budget and 10.4% more than July of last year.
- O&M expenses for the first month of the new fiscal year are almost 22% less than budget and flat compared to July of last year.
- Net Earnings before Debt Principal is 50.6% more than budget for the month.

## **9. PROJECTS / INITIATIVES UPDATE**

Director Yatcko informed the Commission of three (3) project updates; the Customer First Initiative Dashboard Team, a presentation of the Smith Lake Reservoir pump station upgrade, and the potential solar garden project.

General Manager Collard passed out draft dashboard graphics on the Adjusted / Restated 2014 Budget. Information included ratios from the American Public Power Association (APPA), Operating, Times Interest, Current, Debit to Total Assets, Debt Service Coverage, and Net Income per Revenue Dollar percentages. Director Yatcko explained the team is still working on the specific metric to report, the best method of presentation, and at what frequency to present to the Commission level.

General Manager Cummings handed out a draft the of operational dashboard software the team is reviewing. The draft graphics showed the different ways information can be displayed and presented to Commission. Commissioner Fafard applauded the team for their work, stating the drafts were some of the best dashboards he has seen.

Also as part of the Customer First Initiative, Manager Stevens worked with the Water Treatment Plant staff to work on other visual ways to present project updates to the Commission. One of the mediums considered was a video presentation. Water Treatment Plant Senior Operator William Rossi presented a video on the rebuilding of the Smith Lake Reservoir pump station due to damage that occurred due to Super Storm Sandy. It is anticipated that the video will be uploaded to the Groton Utilities and City of Groton websites. Commissioner Fafard said this medium could also be used for consumer support for the Water Treatment Plant upgrade, as well as support for other needed projects.

General Manager Cummings gave an update on the proposed community solar garden project at the Operations Complex property. The proposed project would generate approximately 4 megawatts, and \$60,000 annually from the land leased to CMEEC. General Manager Cummings handed out aerial photographs of the proposed sites. A separate “showcase” garden is being proposed on land owned by the Town of Groton, in front of the Operations Complex property. General Cummings stated if the project is approved, it would be one of the largest solar gardens of this type in the Northeast.

## **10. OLD BUSINESS**

There was no old business to discuss.

**11. NEW BUSINESS**

**GUC-14-08-09:** Consideration of and Action to approve the proposed Schedule of Meetings for Calendar Year 2015

**Commissioner Fafard** moved, **Commissioner Duarte** seconded a motion to approve the proposed Schedule of Meeting for Calendar Year 2015.

Mayor Galbraith proposed moving the times for the November and December meetings from 10:00 a.m. to 11:00 a.m. due to a conflict with scheduled Southeastern Connecticut Council of Government meetings.

**Motion carried.**

**12. EXECUTIVE SESSION**

**Mayor Galbraith** moved, **Commissioner DeMuzzio** seconded to go into Executive Session to discuss strategy with respect to pending claims, to include Director Yatcko and Manager Stevens. **Motion carried.**

Executive Session commenced at 11:06 a.m.

Executive Session ended at 11:35 a.m.

**13. POLICY GOVERNANCE**

Director Yatcko discussed his recommendations regarding two (2) proposals for policy governance training / consultants. The Commission discussed the proposed fee structures, and the ability to utilize video conferencing to curtail expenses.

**14. ADJOURNMENT**

There being no further business, at 11:46 a.m., **Commissioner Fafard** moved, **Commissioner DeMuzzio** seconded a motion to adjourn. **Motion carried.**

Attest:

Paul Duarte  
Clerk