

CITY OF GROTON UTILITIES COMMISSION

Minutes of Regular Meeting

October 22, 2014

1. CALL TO ORDER

Chairperson Galbraith called the meeting to order at 10:00 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 Blanchette-Gergen
General Manager – Utility Finance David F. Collard
General Manager – Electric Herbert D. Cummings
General Manager – Customer Service Tina M. Daniels
General Manager – Key Accounts Richard A. DeLorenze
Manager - Water / PAF Richard M. Stevens
Executive Assistant Deborah J. Gaudette

2. APPROVAL OF MINUTES

Commissioner Fafard moved, **Commissioner Dunbar-Rose** seconded a motion to approve the minutes of the special meeting of September 24, 2014. **Motion carried.**

3. REVIEW AND ACCEPTANCE OF TREASURER'S REPORT

The Treasurer's Report for the month ending September 30, 2014 was unavailable. General Manager Collard reported the cash on hand is doing well.

4. COMMUNICATIONS AND CORRESPONDENCE

There were no communications or correspondence to report.

5. PUBLIC COMMUNICATIONS

There were no public communications.

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

Commissioner DeMuzzio reported on the Subase microgrid project, which is scheduled to be completed in December 2015. The Backus Hospital microgrid project has been completed, on time and significantly under budget. Tentative approval has been received for the proposed TRANSCO budget, and the proposed CMEEC budget is still being worked on. The Board of Directors approved the employment contract for the Chief Executive Officer. There was also discussion regarding supplying power to other municipalities outside of Connecticut. Groton Utilities' members voted against the project; however, the submitted CMEEC Request for Proposals (RFP) did not win the contract for the Cape Light project.

There was discussion regarding the proposed projects, the potential operational and financial risks, and changes in CMEEC's business model.

7. REGIONAL WATER UPDATE

Mayor Galbraith reported there has been no Southeastern Connecticut Council of Government

(SCCOG) regional water meeting. Manager Stevens reported on a meeting with the State of Connecticut, Department of Health (DPH) to review the recent water main break in New London, and communications with the State during emergencies.

8. MONTHLY FINANCIAL HIGHLIGHTS

General Manager Collard presented the following financial highlights:

Electric:

- Overall Electric Revenues were almost 3% more than budget. The positive variance is primarily due residential revenues, which were 8% more than budget, although cooling and heating degree day requirements were both down from last year.
- Operational & Maintenance Expenses for the third month of the new fiscal year are almost 6.5% less than budget.
- The 29% positive Net Income variance for September compensated for the lagging performance from the previous two month and resulted in a fiscal year-to-date Net Income from Operations 0.5% more than budget.

Water:

- Water Revenues overall are 6% more than budget for the month of September and 6% more than last year. All classes of service are above budget, except for Industrial, with the largest variance in the Sales for Resale customer class, driven by Regional Water.
- Operational & Maintenance Expenses for the third month of the new fiscal year are 19% less than budget and almost 7% more compared to September of last year.
- Net Earnings before Debt Principal is 131% more than budget for the month and almost 76% more than budget for the fiscal year-to-date.

Management and the Commission discussed the equity distribution from CMEEC. Management has reviewed the best application for the funds, and will be requesting a check from CMEEC for the entire amount.

Mayor Galbraith asked about the status of the Rate Stabilization Fund (RSF) and requested projections of the RSF, proposed adjustments to the power cost, and the balance of the RSF for the last three (3) years.

Commissioner DeMuzzio inquired about the increase in water revenue. Manager Stevens replied there was an increased demand from regional sales.

9. PROJECTS / INITIATIVES UPDATE

General Manager Cummings gave an update on the proposed solar project at the Subase. A pre-bid meeting will be held next week on the potential solar arrays to be installed in Groton and Newport, Rhode Island. The Commission discussed long term budget planning to compensate for a potential shrinking pool of electric demand, due to companies reducing their dependency on electricity.

General Manager Cummings gave an update on the 35kV breakers at Buddington Substation and the Odd Fellows Fairview underground cable project. Phase One of the Thames Street project is expected to be completed by the end of the month, and will include scheduled customer outages.

Manager Stevens reported staff is working on a video archive for the Water Treatment Plant anniversary and new plant design.

Commissioner Dunbar-Rose asked if anyone from Groton Utilities was involved in Water For People. Manager Stevens replied the GU supports Water For People through its involvement and dues paid to the American Water Works Association.

General Manager Daniels reported the Ledyard bills will be sent monthly beginning November 1st. The winter moratorium begins November 1st, and Groton Utilities will be cutting for non-payment, using the same criteria, based on weather conditions, as Norwich Public Utilities and Connecticut Light and Power Company.

General Manager DeLorenze has been working with General Manager Cummings on identifying Key Accounts, and creating an account management database.

10. OLD BUSINESS

There was no old business to discuss

11. NEW BUSINESS

There was no new business to discuss.

12. EXECUTIVE SESSION

There was no Executive Session.

13. POLICY GOVERNANCE

Director Yatcko presented a proposal for policy governance training. The Commission discussed the various options and methods of training available.

14. ADJOURNMENT

There being no further business, at 11:38 a.m., **Commissioner Dunbar-Rose** moved, **Commissioner Duarte** seconded a motion to adjourn. **Motion carried.**

Attest:

Paul Duarte
Clerk