

# CITY OF GROTON UTILITIES COMMISSION

Minutes of Regular Meeting

December 17, 2014

## 1. CALL TO ORDER

Chairperson Galbraith called the meeting to order at 10:02 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 Yatcko  
General Manager-Utility Finance David F. Collard  
General Manager-Customer Service Tina M. Daniels  
General Manager-Key Accounts Richard A. DeLorenze  
Manager-Engineering Brian J. Roche  
Manager-Major Accounts Leonard J. Mediavilla  
Manager-Water / PAF Richard M. Stevens  
Executive Assistant Deborah J. Gaudette

**Commissioner Duarte** moved, **Commissioner Fafard** seconded a motion to amend the Agenda to include **Action Item GUC-14-12-13**: Consideration of and Action to approve a Market-Priced Power Supply Agreement by and between the City of Groton, Department of Utilities and Pfizer, Incorporated commencing January 1, 2015 and continuing through December 31, 2019 as presented to the Commission, together with such revisions, clarifications and amendments as the City Attorney shall deem appropriate and furthermore, that the City Council be apprised of this action with the recommendation that it concur and Mayor Marian K. Galbraith be authorized to execute the agreement. **Motion carried.**

## 2. APPROVAL OF MINUTES

**Commissioner Duarte** moved, **Commissioner DeMuzzio** seconded a motion to approve the minutes of the regular meeting of October 22, 2014. **Motion carried.**

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

**Commissioner Fafard** moved, **Commissioner Duarte** seconded a motion to approve the Treasurer's Report for the month ending November 30, 2014. **Motion carried.**

## 4. COMMUNICATIONS AND CORRESPONDENCE

The following correspondence was received:

- Letter dated December 5, 2014 from the Bill Memorial Library thanking Groton Utilities for its donation of \$250.
- Letter dated December 5, 2014 from the State of Connecticut, Department of Public Health regarding its approval of the Value Engineering Recommendations Implementation Plan for the Water Treatment Plant Upgrade Project.

## 5. PUBLIC COMMUNICATIONS

Mayor Galbraith reported on a request from Saint John's Christian Church to help rebuild its existing kitchen to bring it up to code. The Church provides community meals and soup kitchens throughout Groton. It is anticipated that approximately \$40,000 in funds will need to be raised to complete the modifications and Mayor Galbraith asked the Commission to consider making a donation of \$5,000.

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

Commissioner DeMuzzio reported the 2015 budget has been approved. Director Yatcko reported the Board is working with a consultant on organizational effectiveness.

**7. REGIONAL WATER UPDATE**

Manager Stevens reported on the regional Sale of Excess Water permit. The permit allows for the regional transfer of up to 1 million gallons per day water during emergencies. Additional required fees may be divided between major municipalities.

**8. MONTHLY FINANCIAL HIGHLIGHTS**

General Manager Collard presented the following financial highlights:

*Electric:*

- The PPA and TCA were adjusted to the customer effective November 1. The PPA increased, and the TCA went down for a total net reduction of \$0.00104/kWh, which is \$0.72 on a 700 kWh bill.
- Overall Electric revenues were almost 7% more than budget. The positive variance is primarily driven by the one (1) non-manufacturing customer which is 31% more than budget. Residential revenues were almost 37% more than budget.
- Operation and Maintenance (O&M) expenses for November were 10% less than budget. Long term debt has been adjusted to reflect savings resulting from the July bond refinancing. The variance to budget reflects the savings. O&M expenses for the fiscal year-to-date are slightly below budget.
- The 3.7% positive net income variance for November is the result of higher revenues and lower interest expense. The fiscal year-to-date net income from operations is 5.5% above budget, and is also the result of higher than budget revenues and lower than budget interest expense.

*Water:*

- Water revenue overall were 3% less than budget and 1.5% less than last year. All classes of service, except residential, were below budget.
- Operational and Maintenance (O&M) expenses for November were almost 17% less than budget and almost 4% less compared to November of last year.
- Net earnings before debt principal is three (3) times more than budget for the month and almost 95% more than budget for the fiscal year-to-date.

**9. PROJECTS / INITIATIVES UPDATE**

Director Yatcko updated the Commission on the root cause analysis of the arch flash incident that occurred on October 23, 2014 at the Buddington Substation. Management recommends consulting with JLN Associates for Project Management and Implementation services to coordinate, oversee and implement a corrective action plan in order to prevent potential future incidents. Management will present the proposed quotation for services at the January 2015 Utilities Commission meeting.

Mayor Galbraith reported on the proposed solar array project. The City Attorney is reviewing the draft site license and the potential property taxes that could be assessed by the Town of Groton.

**10. OLD BUSINESS**

There was no old business to discuss.

**11. NEW BUSINESS**

**Agenda Item 11A: GUC-14-12-12:** Consideration of and Action to authorize confirm the action of the City Council and approve a Master Agreement by and between the State of Connecticut, Department of Transportation and the City of Groton, Department of Utilities for Readjustment, Relocation and/or Removal of Utility Facilities on Highway Project, and furthermore, that Mayor Marian K. Galbraith be authorized to execute the agreement and City Clerk Debra Patrick to affix the City Seal thereto

**Commissioner Duarte** moved, **Commissioner Fafard** seconded a motion to confirm the action of the City Council and approve a Master Agreement by and between the State of Connecticut, Department of Transportation and the City of Groton, Department of Utilities for Readjustment, Relocation and/or Removal of Utility Facilities on Highway Project, and furthermore, that Mayor Marian K. Galbraith be authorized to execute the agreement and City Clerk Debra Patrick to affix the City Seal thereto. **Motion carried.**

**Agenda Item 11B: GUC-14-12-13:** Consideration of and Action to approve a Market-Priced Power Supply Agreement by and between the City of Groton, Department of Utilities and Pfizer, Incorporated commencing January 1, 2015 and continuing through December 31, 2019 as presented to the Commission, together with such revisions, clarifications and amendments as the City Attorney shall deem appropriate and furthermore, that the City Council be apprised of this action with the recommendation that it concur and Mayor Marian K. Galbraith be authorized to execute the agreement.

**Commissioner DeMuzzio** moved, **Commissioner Duarte** seconded a motion to approve a Market-Priced Power Supply Agreement by and between the City of Groton, Department of Utilities and Pfizer, Incorporated commencing January 1, 2015 and continuing through December 31, 2019 as presented to the Commission, together with such revisions, clarifications and amendments as the City Attorney shall deem appropriate and furthermore, that the City Council be apprised of this action with the recommendation that it concur and Mayor Marian K. Galbraith be authorized to execute the agreement. **Motion carried.**

## **12. POLICY GOVERNANCE**

Mr. Eric Craymer of Growth Management Consulting joined the meeting via conference call and provided a review of study guide questions and survey submitted by the Commission. The Commission discussed generic policies utilized by other municipalities, various monitoring systems, and whether to continue with the study materials while in the recruitment process for a Director of Utilities. It was determined to continue the discussion at the January 2015 Utilities Commission meeting.

## **13. EXECUTIVE SESSION**

At 11:45 a.m., **Commissioner Fafard** moved, **Commissioner Duarte** seconded a motion to enter Executive Session to discuss personnel. **Motion carried.**

At 12:15 p.m., **Commissioner DeMuzzio** moved, **Commissioner Duarte** seconded a motion to return to Open Session. **Motion carried.**

## **14. ADJOURNMENT**

There being no further business, at 12:16 a.m., **Commissioner Fafard** moved, **Commissioner Duarte** seconded a motion to adjourn. **Motion carried.**

Attest:

Paul Duarte  
Clerk