

CITY OF GROTON UTILITIES COMMISSION

Minutes of Regular Meeting

March 25, 2015

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: Interim Director of Utilities Thomas M. Bachey
General Manager-Information Technology Susan G. Blanchette-Gergen
General Manager-Utility Finance David F. Collard
General Manager-Customer Service Tina M. Daniels
General Manager-Key Accounts Richard A. DeLorenze
Acting General Manager-Electric Brian J. Roche
Manager-Water/PAF Richard M. Stevens
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 February 25, 2015. **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 February 28, 2015. **Motion carried.**

4. COMMUNICATIONS AND CORRESPONDENCE

Commissioner Dunbar-Rose inquired about the status of the budget process for fiscal year 2015-2016. General Manager Collard reported a preliminary timeline was distributed to all Utility divisions. It is anticipated the proposed budget will be ready for the April 22, 2015 Commission meeting. The Commission discussed scheduling a Special meeting, before the April 22nd meeting to review the budget.

5. PUBLIC COMMUNICATIONS

There were no public communications.

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

Commissioner DeMuzzio reported the Board discussed three (3) potential projects, including a solar storage project, a biomass plant project, and the proposed Mohegan Hills development project. The Board will vote on the projects at its March 26, 2015 meeting.

7. REGIONAL WATER UPDATE

Manager Stevens reported on recommended proposed changes to the General Permit. The City of Norwich has some objections to the proposed special conditions. Management has recommended meeting with representatives from Norwich to discuss their concerns.

8. MONTHLY FINANCIAL HIGHLIGHTS

General Manager Collard presented the following financial highlights:

Electric:

- Overall Electric revenues were almost 25.5% more than budget. The positive variance is primarily driven by both non-manufacturing and residential customer revenue, which together is \$1 million more

than budget. Undoubtedly related to this February being the coldest on record. There were 28% more heating degree day compared to last year.

- Operation and Maintenance Expenses for February were almost 18% more than budget. Winter Storm Juno, which cost the Electric Division over \$56,000, accounts for approximately 50% of the variance for the month. Continuous bad weather throughout the month was the primary cause of higher than budget operation expense.
- For the fiscal year-to-date, Operation and Maintenance Expenses are 5.6% over budget.
- Net Income from Operations for February is 28.5% over budget and for the fiscal year-to-date, 1.3% higher than budget.

The Commission discussed the impact of the City's request to increase Groton Utilities' contribution to the City, its effect on electric rates, and the current transformer issues and associated costs.

General Manager Collard handed out revised Water financials, due to a clerical error in the original financials.

Water:

- Water Revenues overall are 4% less than budget for the month of February and almost 1% less than last year. The negative variance is mostly driven by the industrial class of service. There were 200,000 cubic feet less in water sales and no rate increase was put into effect January 1 as budgeted.
- Operation and Maintenance Expenses for February were only 1.1% more than budget considering that Winter Storm Juno cost the Water Division almost \$32,000. Operation and Maintenance Expense would have otherwise been 4% below budget for the month.
- Net Earnings before Debt Principal is 90% less than budget and is directly related to not putting a rate increase in place that was budgeted for January. Nevertheless, the fiscal year-to-date Net Earnings are more than 2 times budget.

9. PROJECTS / INITIATIVES UPDATE

Manager Stevens reported that the design engineering for the Water Treatment Plant Redesign / Upgrade project is at 90%. Staff met with the representatives from the State of Connecticut, Department of Energy and Environmental Protection (DEEP) to review the project, and address punch list items. Staff has also met with representatives from the Town of Groton regarding the required additional parking spaces and building height variances. The Town is requesting a sideway in front of the Operations property.

Acting General Manager Roche gave an update on the at Trails Corner Substation transformer failure. An oil test has indicated an internal fault. As the transformer will need to be sent to the vendor for repair, Management has made emergency arrangements for the lease of a mobile transformer through April 13th from the Connecticut Light & Power Company for a backup in the event of an emergency. There is a spare transformer at the Perkins Corner Substation and it is Managements' intention to move the transformer from Perkins Corner to Trails Corner, to provide emergency backup. Management will continue to keep the Commission informed of any and all costs associated with the transformer failure.

General Manager Daniels reported that Management has prepared a budget proposal for the Town of Ledyard for billing services. It is anticipated that Ledyard will put the services out for a Request for Quotations (RFQ).

Interim Director Bachey reported on the solar project in Navy Housing. It is anticipated that approximately 60 installations will be completed weekly. Currently, Groton Utilities personnel are installing twenty (20) meters per week. Bi-directional meters are being purchased to ensure correct billing.

Mayor Galbraith reported that the Mayor and Council has approved and executed the SolarCity site lease for the solar array project at the Water Treatment Plant.

Mayor Galbraith reported that Commissioner Fafard was resigning from the Commission. The Commissioners thanked Commissioner Fafard for his service, and wished him well in his future endeavors.

10. OLD BUSINESS

Commissioner Dunbar-Rose inquired on the search for a new Director of Utilities. Mayor Galbraith replied she would be in contact with Mr. David Little today, and the application deadline for the position was March 27, 2015.

11. NEW BUSINESS

Agenda Item 11A: GUC-15-03-05: Consideration of and action to confirm Managements' authorization to issue a purchase order to The Connecticut Light and Power Company, 107 Selden Street, Berlin, Connecticut for the lease of a Mobile Transformer Unit to provide emergency backup power in an amount not to exceed Sixteen Thousand Five Hundred Dollars and No Cents (\$16,500.00) to be paid from funds available in the approved Fiscal Year 2015 Electric Division budget, and furthermore that the City Council be apprised of this action with the recommendation that it concur

Commissioner Dunbar-rose moved, **Commissioner Duarte** seconded a motion to confirm Managements' authorization to issue a purchase order to The Connecticut Light and Power Company, 107 Selden Street, Berlin, Connecticut for the lease of a Mobile Transformer Unit to provide emergency backup power in an amount not to exceed Sixteen Thousand Five Hundred Dollars and No Cents (\$16,500.00) to be paid from funds available in the approved Fiscal Year 2015 Electric Division budget, and furthermore that the City Council be apprised of this action with the recommendation that it concur. **Motion passed.**

Agenda Item 11B: GUC-15-03-06: Consideration of and action to confirm Managements' authorization to issue a purchase order to The Connecticut Light and Power Company, 107 Selden Street, Berlin, Connecticut for labor and equipment for the installation of a Mobile Transformer Unit to provide emergency backup power in an amount not to exceed Thirty-Two Thousand Dollars and No Cents (\$32,000.00) to be paid from funds available in the approved Fiscal Year 2015 Electric Division budget, and furthermore that the City Council be apprised of this action with the recommendation that it concur

Commissioner Duarte motioned, **Commissioner Dunbar-Rose** seconded a motion to confirm Managements' authorization to issue a purchase order to The Connecticut Light and Power Company, 107 Selden Street, Berlin, Connecticut for labor and equipment for the installation of a Mobile Transformer Unit to provide emergency backup power in an amount not to exceed Thirty-Two Thousand Dollars and No Cents (\$32,000.00) to be paid from funds available in the approved Fiscal Year 2015 Electric Division budget, and furthermore that the City Council be apprised of this action with the recommendation that it concur. **Motion passed.**

Agenda Item 11C: GUC-15-03-07: Consideration of and action to authorize Management to issue a purchase order to Ti Sales, 36 Hudson Road, Sudbury, Massachusetts for the purchase of Fourteen (14) commercial master meters and One Hundred (100) residential meters in the amount of Two Hundred Seventy-Four Thousand, Two Hundred Twenty-Nine Dollars and No Cents (\$274,229.00) to be paid from funds available in the approved Fiscal Year 2015 Water Division Non-Bonded Capital Fund, and furthermore, that the City Council be apprised of this action with the recommendation that it concur

Commissioner Fafard motioned, **Commissioner Duarte** seconded a motion to authorize Management to issue a purchase order to Ti Sales, 36 Hudson Road, Sudbury, Massachusetts for the purchase of Fourteen (14) commercial master meters and One Hundred (100) residential meters in the amount of Two Hundred Seventy-Four Thousand, Two Hundred Twenty-Nine Dollars and No Cents (\$274,229.00) to be paid from

funds available in the approved Fiscal Year 2015 Water Division Non-Bonded Capital Fund, and furthermore, that the City Council be apprised of this action with the recommendation that it concur

Manager Valentini explained that the State now requires all water meters to be lead-free. Ti Sales can provide the Neptune brand meters currently being utilized by Groton Utilities, and the meters are lead-free and can be tested and repaired in-house, as opposed to other brands of meters. The meters that are being replaced will be sold for scrap.

Motion passed.

Agenda Item 11D: GUC-15-03-08: Review of proposed revisions to Policy No. 1004, Policy and Procedures Governing the Purchasing Practices of Groton Utilities

Interim Director Bachey gave an overview of the revision to the current policy, with an emphasis on the use of purchase orders, more transparency, and the increased ability to track costs.

Commissioner Dunbar-Rose stated the original policy was drafted from a business versus municipality perspective. Mayor Galbraith felt the policy needed to be compared to the State of Connecticut Statutes, which require competitive bidding for municipal purchase over \$25,000. Mayor Galbraith also recommended the policy be reviewed by City Attorney.

Agenda Item 11E: GUC-15-03-09: Review of proposed Policy No. 1027, Policy and Procedures for Deactivation of Employee Access

Interim Director Bachey reported some issues had arisen which initiated the need for the proposed policy. The Commission discussed the ability of certain employees to be allowed to work from home while on leave Family Medical Leave Act (FMLA) or workers compensation, light duty assignments, and what would be in the best interest of the City.

12. POLICY GOVERNANCE

As discussed at the December 17th meeting, the Commission will wait until a new Director of Utilities is in place before continuing with policy governance.

13. ADJOURNMENT

There being no further business, at 11:30 a.m., **Commissioner Duarte** moved, **Commissioner Fafard** seconded a motion to adjourn. **Motion carried.**

Attest:

Paul Duarte
Clerk