

**CITY OF GROTON UTILITIES COMMISSION  
/WATER POLLUTION CONTROL AUTHORITY**  
Minutes of **SPECIAL** Meeting  
June 27, 2018

**1. CALL TO ORDER**

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

**ROLL CALL**

**Present:** Chairperson Mayor Keith Hedrick

**Commissioners:** Paul Duarte, Jeffrey Godley, George Scully

**Staff present:** Director of Utilities Ronald A. Gaudet  
General Manager-Utility Finance David F. Collard  
General Manager-Key Accounts Leonard J. Mediavilla  
General Manager-Customer Service Tina M. Daniels  
Manager-Water/PAF Richard M. Stevens at 10:15 a.m.  
Economic Development Manager Frank E. Winkler  
Key Accounts Manager Aaron K. Brooks  
Energy Engineer Hollis McKee  
Accounting Manager Yi Xiang  
Executive Administrator Deborah J. Damm

**2. APPROVAL OF MINUTES**

**Commissioner Godley** moved, **Commissioner Duarte** seconded a motion to approve the minutes of the Special meeting of April 17, 2018. **Motion carried unanimously.**

**Commissioner Duarte** moved, **Commissioner Scully** seconded a motion to approve the minutes of the Special meeting of April 24, 2018. The vote on the motion was 3 ayes and 1 abstention (**Commissioner Godley**). **Motion carried.**

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

**Commissioner Godley** moved, **Commissioner Duarte** seconded a motion to approve the Treasurer's Report for the month ending May 31, 2018. **Motion carried.**

**4. COMMUNICATIONS AND CORRESPONDENCE**

There were no communications or correspondence to report.

**5. PUBLIC COMMUNICATIONS**

Mr. Michael Boucher – 16 Hillside Avenue, Groton

Mr. Boucher stated he was opposed to the proposed CMEEC ethics policy. Mr. Boucher ask for an updated estimate for the new sewer fee, the cost of the digester cleaning at the Pollution Abatement Facility, and why the digester was not cleaned in 2015 and if that lead to the failure in 2017. Mr. Boucher also asked questions regarding how much Thames Valley Communications pays for rent and for how much office space; how much office space Groton Utilities' needs, and would like to address the falling revenues of Groton Utilities.

Mayor Hedrick explained all requests for public documents would need to go through the Mayor's Office as part of the Freedom of Information Act. Mayor Hedrick also explained the FOIA process, and that question were not covered under the Act.

Additionally, Mayor Hedrick noted any discussion on the CMEEC ethics policy should be directed directly to CMEEC and not to the City of Groton Utilities Commission.

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

Director Gaudet reported at the regular Board of Directors meeting the Board adopted the proposed travel policy and tabled the proposed ethics policy, which will be updated and put on the June 28<sup>th</sup> agenda.

**7. REGIONAL WATER UPDATE**

There was no Regional Water update to report.

**8. MONTHLY FINANCIAL HIGHLIGHTS**

General Manager Collard presented the following financial highlights:

*Electric:*

- Overall Total Electric Revenues for May are just slightly higher (\$7k) than budget. The positive variance was driven by the residential and industrial-manufacturing classes, which offset the almost 12% negative variance from the one industrial non-manufacturing customer.
- Heating degree day requirements were 31% less than last year and cooling degree day requirement were 67% less, indicating a milder month than last year requiring less climate control.
- Operation and maintenance expenses for the month are almost 5% less than budget, and power costs almost 7% less than budget.
- The net income from Operation for the month is 123% more than budget. Net performance after the effects of TVC is 250% more than budget for the month.
- Total electric revenues for the fiscal year-to-date are 1% below budget and 4% below the same period last year. The major driver for the negative variance is the one industrial non-manufacturing customer.
- Operation and maintenance for the fiscal year-to-date are almost 3% less than budget and net income, including the CMEEC Excess Equity Distribution, is 26% more than budget. After the effects of TVC, net income before extraordinary item is 32% more than budget.
- Days' cash on hand for the Electric division is 108 days.
- For the fiscal year-to-date, 2.3 million kWhs were purchased from solar customers, which is almost 4% less than the previous fiscal year.

*Water:*

- Cash due from Electric is almost \$3 million. Days' cash on hand for the Water division is 255 days. The combined Electric and Water division days cash on hand is 142 days.
- The reimbursement process with the State continues to be timely, such that monies are received from the State in time to pay bills when due without using internal cash. For the fiscal year-to-date, \$8.1 million has been incurred for the project and a total of \$7.3 million has been received from the Drinking Water State Revolving Fund (DWSRF) loan and grant.
- Total revenues overall for May are 12.5% less than budget primarily due to the industrial class whose volume were almost 20% below less than last year. New rates that increased 4% became effective January 1, 2018.
- Operation and maintenance expenses for May are 13% less than budget and 11% more than May of last year. Net earnings before the DWSRF grant for the month are 36% less than budget. Lower revenues were only partially offset by lower operation and maintenance expense and drove the negative variance.
- The net earnings before the DWSRF grant for the fiscal year-to-date are 40.5% more than budget. The positive variance is driven by lower than budget operation & maintenance expense that more than offset the 10% negative revenue variance.
- The Water Treatment Plant Restricted Fund contains \$1.5 million for collections through December 2017. The fiscal year 2018 budget projected a total contribution to the WTP Restricted Fund of \$900,000; however, since revenues are running 10% below budget a projection of expected collection indicates that there will only be \$800,000 collected from customers through increased rates this fiscal year that will be available to

contribute to the restricted fund. The Finance Department has been instructed to move \$389,000 to the WTP Restricted Fund by the end of the month, which will complete the total contribution of \$800,000 for fiscal year 2018 and bring the fund balance to just over \$1.9 million.

**9. PROJECTS / INITIATIVES UPDATE**

Manager Stevens gave an update on scheduled shutdowns at the Water Treatment Plant for electrical work as part of the Water Treatment Plant Rebuild project.

Manager Stevens informed the Commission of testing for lead that was performed for the Town of Groton Public Schools. The lead issue is internal to the Town's school infrastructure. Chairperson Hedrick address the miscommunication from the Town regarding lead sampling and timelines. Manager Stevens expressed his appreciation for the Mayor's involvement regarding the issue.

Manager Stevens informed the Commission of a proposed Safe Drinking Water Assessment Fee from the State of Connecticut, Department of Public Health (DPH). The proposed fee will provide funding for approximately 20% of DPH's current programs. Customer Service will begin implementing the fee with the January 2019 water bills. The Commission discussed the fee, how other municipalities are anticipating implementing the fee, and how bulk meters would be assessed.

Manager Stevens reported the annual water quality report has been completed, and a link to the report in on Groton Utilities' website. Hard copies will continue to be delivered to regional water customers and local public libraries.

Director Gaudet gave an update on the revisions to the Rules and Regulations for utilities customers, which is to be reviewed each July per the City Charter. This year's revisions will include language for sewer use and incorporate City Ordinance No 112. Manager Daniels noted the inclusion of Bozrah Light and Power into this year's revisions as well. It was discussed that the revised Rules and Regulations will be posted on Groton Utilities' website, and copies will be available from the Customer Service. Manager Daniels thanked Executive Administrator Damm for her assistance in the revising, formatting, and proofreading of the document.

Chairperson Hedrick asked about tree trimming on the Groton Long Point right-of-way. Commissioner Scully noted the feeder needs to be re-conducted.

**10. OLD BUSINESS**

There was no old business to discuss.

**11. NEW BUSINESS**

**Agenda Item 11A – GUC-18-06-10:** Consideration of and action to authorize Management to issue a purchase order for one (1) year of safety consulting services to A/Z Corporation, 46 Norwich-Westerly Road, North Stonington, Connecticut in an amount not to exceed One Hundred Thirty Thousand Six Hundred Forty Dollars and No Cents (\$130,640.00) to be paid from funds available in the approved Fiscal Year 2019 Electric and Water Divisions Operating and Capital budgets, and furthermore that the City Council be apprised of this action with the recommendation that it concur

**Commissioner Duarte** moved, **Commissioner Scully** seconded that the City of Groton Utilities Commission / Water Pollution Control Authority authorize Groton Utilities management to issue a purchase order for one (1) year of safety consulting services to A/Z Corporation Road, 46 Norwich-Westerly, North Stonington, Connecticut in an amount not to exceed One Hundred Thirty Thousand Six Hundred Forty Dollars and No Cents (\$130,640.00) to be paid from funds available in the approved Fiscal Year 2019 Electric and Water Divisions Operating and Capital budgets, and furthermore that the City Council be apprised of this action with the recommendation that it concur

Members of the Groton Utilities Safety Committee, Dawn Renaldi and Bill Rossi, gave an overview of the original request for proposal (RFP) process for the safety consultant and the employee-based safety committee. Management and committee members agree that Jim Healy – A/Z Corporation – are doing a fantastic job. The renewal price is a slight 2 percent increase from last year. Ms. Renaldi explained that costs were allocated across the City, by department where the training occurs, and this is an approved budget item.

Chairperson Hedrick noted A/Z has a team of resources for Mr. Healy to pool from, and Mr. Healy currently preforms jobsite visits, safety observations, incident investigations, as well as root-cause analyses.

**Motion carried unanimously.**

**Agenda Item 11B - GUC-18-06-11:** Consideration of and action to authorize Groton Utilities Management to issue a purchase order to Poquonnock Bridge Fire District, Office of Fire Prevention – Fire Marshal’s Office, 373 Long Hill Road, Groton, Connecticut for payment for services rendered for final inspection in preparation of construction of dissolved air flotation (DAF) treatment addition, two (2) new water storage tanks, and renovations to the existing Water Treatment Plant in the invoiced amount of Fifty Eight Thousand Four Hundred Seventy-Six Dollars and Seventy-Five Cents (\$58,476.75), to be paid from funds available in the approved Fiscal Year 2018 Water Division budget, and furthermore that the City Council be apprised of this action with the recommendation that it concur

**Commissioner Duarte** moved, **Commissioner Godley** seconded that the City of Groton Utilities Commission / Water Pollution Control Authority authorize Groton Utilities Management to issue a purchase order to Poquonnock Bridge Fire District, Office of Fire Prevention – Fire Marshal’s Office, 373 Long Hill Road, Groton, Connecticut for payment for services rendered for final inspection in preparation of construction of dissolved air flotation (DAF) treatment addition, two (2) new water storage tanks, and renovations to the existing Water Treatment Plant in the invoiced amount of Fifty Eight Thousand Four Hundred Seventy-Six Dollars and Seventy-Five Cents (\$58,476.75), to be paid from funds available in the approved Fiscal Year 2018 Water Division budget, and furthermore that the City Council be apprised of this action with the recommendation that it concur

Manager Stevens reported that the permit and inspection fees are the project owner’s responsibility. Chairperson Hedrick explained the Town and City have an agreement regarding inspections fees, however, the fire district was not part of that agreement. The Commission discussed the formula for the proposed inspection fees and whether there was the possibility of those fees increasing over the duration of the project.

**Motion carried unanimously.**

**Agenda Item 11C - GUC-18-06-12:** Consideration of and action to appoint a member of the Utilities Commission / Water Pollution Control Authority to serve on the Community Service Award Selection Committee

**Commissioner Scully** moved, **Commissioner Duarte** seconded that the City of Groton Utilities Commission / Water Pollution Control Authority appoint a member of the Utilities Commission / Water Pollution Control Authority to serve on the Community Service Award Selection Committee

Commissioner Duarte volunteer to be appointed.

**Motion carried unanimously.**

**Agenda Item 11D - GUC-18-06-13:** Consideration of and action to appoint Commissioner George Scully to serve as the Utility Commission Representative on the City of Groton Retirement Board

**Commissioner Godley** moved, **Commissioner Duarte** seconded that the City of Groton / Water Pollution Control Authority appoint Commissioner George Scully to serve as the Utility Commission Representative on the City of Groton Retirement Board.

**Motion carried unanimously.**

Chairperson Hedrick noted for the record that Mr. Robert Zuliani, 23 Cushman Street, Groton has been asked to fill the vacancy left by Commissioner Dunbar-Rose's resignation on the Utilities Commission / Water Pollution Control Authority. Mr. Zuliani currently chairs the City of Groton Ethics Committee.

Commissioner Duarte expressed the Commission the importance of attending utility industry conferences. Commissioner Duarte recently attended the American Public Power Association (APPA) annual conference and felt it was extremely beneficial to understanding current trends in the industry nationwide. There were opportunities to learn how other municipalities were dealing with similar trends as Groton Utilities. Commissioner Duarte feel it would be beneficial to have utilities staff, who deal with these issues on a daily basis, attend as well.

Commissioner Duarte also stated the community isn't always aware or understand the value of public power, and the utilities do not do a good job of publicizing themselves and their value to their communities.

Commissioner Duarte also mentioned his introduction to an organization similar to the Connecticut Municipal Electric Energy Cooperative (CMEEC) that presents educational programs in local schools, and wonder if it was something Groton Utilities and CMEEC could partner together to provide. The program emphasizes the value of public power and the future of the electric industry.

Commissioner Godley asked if an annual calendar of the conference could be forwarded, as he would like to attend, but would need advance notice to clear his schedule. The Director's Office will provide upcoming events to the Commission.

**12. EXECUTIVE SESSION**

There was no executive session.

**13. ADJOURNMENT**

There being no further business, at 11:13 a.m., **Commissioner Scully** moved, **Commissioner Duarte** seconded a motion to adjourn. **Motion carried.**

Attest:

Paul Duarte  
Clerk