

**CITY OF GROTON UTILITIES COMMISSION  
/WATER POLLUTION CONTROL AUTHORITY**

Minutes of Meeting  
October 17, 2018

**1. CALL TO ORDER**

Chairperson Hedrick called the meeting to order at 10:03 a.m.

**ROLL CALL**

**Present:** Chairperson Mayor Keith Hedrick

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

**Staff present:**

Director of Utilities Ronald A. Gaudet  
Executive Administrator Deborah J. Damm  
General Manager-Utility Finance David F. Collard  
General Manager-Information Technology Susan G. Blanchette  
General Manager-Key Accounts Leonard J. Mediavilla  
General Manager-Customer Service Tina M. Daniels  
General Manager-Water Operations Raymond L. Valentini  
Manager-Engineering Brian J. Roche  
Manager-Water / PAF Richard M. Stevens  
Manager-Operations Water Raymond L. Valentini  
Economic Development Manager Frank E. Winkler  
Energy Engineer-Hollis McKee  
Utility Analyst Manager Aaron Brooks  
Project Manager Michael Weber  
Accounting Manager Yi Xiang

**2. APPROVAL OF MINUTES**

**Commissioner Godley** moved, **Commissioner Scully** seconded a motion to approve the minutes of the regular meeting of September 19, 2018. **Motion carried.**

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

**Commissioner Zuliani** moved, **Commissioner Duarte** seconded a motion to approve the Treasurer's Report for the month ending September 30, 2018. **Motion carried.**

**4. COMMUNICATIONS AND CORRESPONDENCE**

Commissioner Zuliani reported on the Connecticut Municipal Electric Energy Cooperative (CMEEC) RZ – CMEEC Consumer Advocate Annual Public Forum held on October 10, 2018. Commissioner Zuliani noted the presentation was well organized, detailed where CMEEC is going, and noted changes that have been implemented during the past year.

Commissioner Zuliani also attended the electric vehicle demonstration this morning and was very impressed with the program.

**5. PUBLIC COMMUNICATIONS**

Ms. Joellen Anderson, 215 Plant Street, Groton – Ms. Anderson inquired if the Commission was being kept informed of the progress of the Tri Town Trail project and if it was still on the agenda to open the reservoirs to public access as officials for the Trail project had implied that communication with the City and Groton Utilities is ongoing. Chairperson Hedrick stated David Holdridge has addressed both the Utilities Commission and City Council in the past, but there has been no communication in recent years. The Council had made a request for further information regarding liability, risks and other factors, but have received no answers to their inquiry. It is believed alternate routes outside of the reservoir fencing has been suggested. Ms. Anderson expressed her perspective of the program and her concern that the watershed areas be protected.

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

Director Gaudet reported on the special member delegation meeting. Changes to the indemnification language was voted on and approved.

**7. REGIONAL WATER UPDATE**

Manager Valentini informed the Commission that the City of Norwich was having an issue with residual chlorine and was taking water from Groton Utilities for the last few weeks. It is anticipated they will continue to take water for a few more weeks.

**8. MONTHLY FINANCIAL HIGHLIGHTS**

General Manager Collard presented the following financial highlights:

*Electric:*

- Overall total electric revenues for September are almost 10% (\$387,000) more than budget. Residential sales that were 20% more than budget drove the positive variance. All other classes of service were also above budget. Residual energy sales (which do not include industrial pass through energy) totaling 28 million kWh were more than residual energy purchases totaling 26 million kWh, which validates that energy purchased in August and not billed was recovered in September sales.
- Cooling degree day requirements for September were 30% more and heating degree day requirements were 73% less than September of last year.
- Operation and maintenance expenses for the month of September were slightly below budget by 1.2% (\$11,000), and 13.5% below budget for the fiscal year-to-date.
- Net income from Operations for the month is 32% more than budget, and 18% more than budget for the fiscal year-to-date. Net performance after the effects of TVC is 21% more than budget.
- For the month of September, 206,000 kWh were purchased from solar customer production, which is 25% less than last September. For the fiscal year-to-date, 762,000 kWh were purchased from solar customer production, which is about 10% less than the previous fiscal year.

*Water:*

- Water Division cash due from Electric is over \$271,000 and due from the Sewer Division is \$3,000. Cash due from electric is low because bond fund project expenditures have not been replenished from the Bond Fund Investment account.
- Days' cash on hand for the water division is 323 days. Combined Electric and Water days' cash on hand is 127 days.
- The reimbursement process with the state continues to be timely such that monies are received from the state in time to pay billings when due without using internal cash. For the fiscal year-to-date, \$14 million has been incurred for the project, and a total of \$12 million has been received from the Drinking Water State Revolving Fund (DWSRF) loan and grant. Construction Work in Progress is almost \$21 million and will continue to rise as the project progresses.
- Total revenues overall for September are 1.4% or \$13,700 more than budget. The negative Commercial and Industrial class variances were offset by positive resale revenues.
- Operation and maintenance expense for September is 19% less than budget. The gain from the positive variance in Other Income & Deductions is related to the State of Connecticut, Department of Public Health (DPH) Consent Agreement projects, which have only just begun. As the projects proceed, there will be less of a variance impact. Net Earnings before the DWSRF grant for the month are \$268,000 greater than budget. Operation & maintenance expense for the fiscal year-to-date is 21% less than budget. Net earnings before the DWSRF grant proceeds for the fiscal year-to-date is \$799,000 more than budget.
- The WTP Restricted Fund contains \$1.9 million for collections through the June 20, 2018 fiscal year end.

*Sewer:*

- Total sewer revenues presented for the third month of operation are almost 23% below budget.
- Operation and maintenance expense for the third month of operation is 9.4% below budget. The positive variance helped to offset some of the negative revenue variance for the month. As a result, net income from operations for September is 43% less than budget.
- Net cash flow for the Sewer Division for the month of September is negative \$301,000, which is the net of the due to Electric Division and due to Water Division. During the month of September, bond debt service was paid in the amount of \$536,000. For the month of September, current liabilities exceed current assets by \$33,000.

The Commission discussed the projected Sewer Division budget and revenue. It was noted that the cost to process wastewater is more than the cost to process potable water. Management will continue to track expenses and revenue to better project future budgets.

**9. PROJECTS / INITIATIVES UPDATE**

A. *Electric Division*

- LED Streetlight Project  
Manager Roche gave an update of the LED Streetlight project. The Commission discussed a project cost estimate to replace the City-owned lights to LED.

B. *Sewer Division*

- WPCA Capital Improvement Plan  
Manager Stevens provided a handout for the revised WPCA Capital Improvement Plan.

Manager Valentini presented a map of the sewer pipelines, with proposed future work. Staff is reviewing the 2009 video records of the collection system. Replacements will be funded from the remaining bond funds. There are currently nine (9) pump stations, many of which require a rebuild of pumps, electrical equipment, roofs, and etcetera.

Manager Valentini reported digester number one (1) has been returned to service and digester number 2 (2) is being cleaned and inspected. The dome appears to be in good shape, with one (1) section requiring painting. The Commission discussed a proposed plan to clean the digesters every three (3) years instead of every five (5) years due to the increase of flushable wipes or to install another macerator pump to handle the increased in flushable wipes.

C. *Water Division*

- WTP Upgrade Project  
Director Gaudet informed the Commission that the recently completed sanitary survey was included in the Commissioners' meeting packages. Manager Stevens reported all recommendations will be responded to by November 1, 2018. The survey is required every three (3) years.

Chairperson Hedrick asked for an update on the interconnections. Manager Valentini replied staff is working on the interconnection with the Tower Division. The developer is finding a lot of rocks, which slowed down the process. It is anticipated the connection will occur next week.

D. *Administrative*

- Review of Commission Meeting Packages  
The Commission discussed the current information provided in the meeting packages. It was decided the information being provided would continue as presented.

E. *Key Accounts*

- Net Metering Solar Energy Customers  
Utility Analytics Manager Brooks discussed an article entitled *The Problem with Metering Solar Energy Customers*, which was included in the Commissioners meeting packages. The article details why Groton Utilities bills solar customers as it does and why the rates were designed to prevent cost shifting.

**10. OLD BUSINESS**

There was no old business to discuss.

**11. NEW BUSINESS**

**GUC-WPCA-18-10-16:** Consideration of and action to authorize Groton Utilities management to approve **Engineering Agreement Amendment No. 2** from Stantec Consulting Service, Incorporated, 5 Burlington Woods Drive, Suite 210, Burlington, Massachusetts, for additional professional engineering services for permitting assistance relative to the 2016 Building Code waiver request, Building Code Analysis and preparation of documentation for submission to the Town of Groton Inspection Services and Planning and Zoning Commission as part of the State of Connecticut, Drinking Water State Revolving Fund (DWSRF) Project No. 2013-0140 in an amount not to exceed Twenty-Three Thousand Eighty Dollars and No Cents (\$23,080.00), 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 Groton Utilities Commission / Water Pollution Control Authority authorize Groton Utilities management to approve **Engineering Agreement Amendment No. 2** from Stantec Consulting Service, Incorporated, 5 Burlington Woods Drive, Suite 210, Burlington, Massachusetts, for additional professional engineering services for permitting assistance relative to the 2016 Building Code waiver request, Building Code Analysis and preparation of documentation for submission to the Town of Groton Inspection Services and Planning and Zoning Commission as part of the State of Connecticut, Drinking Water State Revolving Fund (DWSRF) Project No. 2013-0140 in an amount not to exceed Twenty-Three Thousand Eighty Dollars and No Cents (\$23,080.00), and furthermore that the City Council be apprised of this action with the recommendation that it concur.

Director Gaudet stated there was a delay from when the project was designed and when it finally went out to bid. During that time, building codes were revised. Groton Utilities requested a waiver from the State of Connecticut building official, which was denied.

**Motion carried.**

**GUC-WPCA-18-10-17:** Consideration of and action to authorize Groton Utilities management to provisionally approve **Engineering Agreement Amendment No. 3** from Stantec Consulting Service, Incorporated, 5 Burlington Woods Drive, Suite 210, Burlington, Massachusetts, pending final approval by the State of Connecticut, Department of Public Health (DPH), for change order administration, design changes, regulatory compliance, preparation of abatement plan, sampling of soils and building materials for the presence of PCBs, follow-up monitoring, and final reporting as part of the State of Connecticut, Drinking Water State Revolving Fund (DWSRF) Project No. 2013-0140 in an amount not to exceed Three Hundred Ten Thousand Dollars and No Cents (\$310,000.00) and furthermore that the City Council be apprised of this action with the recommendation that it concur and Mayor Keith Hedrick be

authorized to execute **Engineering Agreement Amendment No. 3** upon final approval by the State of Connecticut DPH

**Commissioner Duarte** moved, **Commissioner Zuliani** seconded, that the Groton Utilities Commission / Water Pollution Control Authority authorize Groton Utilities management to provisionally approve **Engineering Agreement Amendment No. 3** from Stantec Consulting Service, Incorporated, 5 Burlington Woods Drive, Suite 210, Burlington, Massachusetts, pending final approval by the State of Connecticut, Department of Public Health (DPH), for change order administration, design changes, regulatory compliance, preparation of abatement plan, sampling of soils and building materials for the presence of PCBs, follow-up monitoring, and final reporting as part of the State of Connecticut, Drinking Water State Revolving Fund (DWSRF) Project No. 2013-0140 in an amount not to exceed Three Hundred Ten Thousand Dollars and No Cents (\$310,000.00) and furthermore that the City Council be apprised of this action with the recommendation that it concur and Mayor Keith Hedrick be authorized to execute **Engineering Agreement Amendment No. 3** upon final approval by the State of Connecticut DPH

Director Gaudet stated that during the bid process, the contractor found polychlorinated biphenyls (PCB) in the buildings. The final bid award had an allowance for the PCB removal. Due to the change in scope in the engineering contract, a change in scope will also forthcoming from the contractor.

Commissioner Godley stated the cost appeared extremely expensive and asked for the hour cost(s) to perform the engineering for the PCB removal. Director Gaudet replied the engineering cost would be approximately \$85 to \$250 per hour. Manager Valentini stated the cost would depend on how much of the PCBs would need to be encapsulated and the potential soil samples which may be required by the EPA. The Commission discussed what the plan would be if the EPA or DPH did not approve the amendment or change order and whether the presence of PCBs was identified before the contracts were awarded. Additionally where the funding would come from should the proposed amendment and change order be denied. Director Gaudet replies the project would continue either way and that communication from the State has promised the approval will be given. The contractor is proposing diverting the workforce to another area of the project should the approval process be delayed.

The Commission discussed the 10.7% contingency for the project and how much would remain should these amendments and change orders be approved. Commissioner Scully noted the contingency would be reduce to \$2 million for the remainder of the project with these change orders. Director Gaudet said the contract with the contractor is a fixed price based on scope, as long as the scope does not expand. The biggest risk would be in a design miss.

**Motion carried.**

**GUC-WPCA-18-10-18:** Consideration of and action to authorize Groton Utilities management to provisionally approve **Change Order No. 16A** from R. H. White Construction Company, Incorporated, 41 Central Street, Auburn, Massachusetts for additional scope to include PCB abatement costs associated with sub-contractor, removal, abatement, remediation, and encapsulation of PCBs as part of the State of Connecticut, Drinking Water State Revolving Fund (DWSRF) Project No. 2013-0140, pending final approval by the State of Connecticut, Department of Public Health (DPH) in an amount not to exceed Two Million One Hundred Thousand Dollars and No Cents (\$2,100,000.00), and furthermore that the City Council be apprised of this action with the recommendation that it concur and Mayor Keith Hedrick be authorized to execute the **Change Order No. 16A** upon final approval by the State of Connecticut DPH

**Commissioner Duarte** moved, **Commissioner Scully** seconded that the Groton Utilities Commission / Water Pollution Control Authority Groton Utilities management to provisionally approve **Change Order No. 16A** from R. H. White Construction Company, Incorporated, 41 Central Street, Auburn, Massachusetts for additional scope to include PCB abatement costs associated with sub-contractor, removal, abatement, remediation, and encapsulation of PCBs as part of the State of Connecticut, Drinking Water State Revolving Fund (DWSRF) Project No. 2013-

0140, pending final approval by the State of Connecticut, Department of Public Health (DPH) in an amount not to exceed Two Million One Hundred Thousand Dollars and No Cents (\$2,100,000.00), and furthermore that the City Council be apprised of this action with the recommendation that it concur and Mayor Keith Hedrick be authorized to execute the **Change Order No. 16A** upon final approval by the State of Connecticut DPH. **Motion carried.**

**GUC-WPCA-18-10-19:** Consideration of and action to authorize Groton Utilities management to issue a purchase order to Ti Sales, Water and Wastewater Supplies, 36 Hudson Road (Route 27), Sudbury, Massachusetts for the purchase of replacement commercial and residential meters and associated parts / equipment as part of the Water Division's Advanced Metering Infrastructure Meter Replacement Project in the amount of Five Hundred Twenty Thousand Dollars and No Cents to be paid from funds available in the approved 2016 Water Bond Fund, and furthermore that the City Council be apprised of this action with the recommendation that it concur

**Commissioner Godley** moved, **Commissioner Zuliani** seconded that the Groton Utilities Commission / Water Pollution Control Authority authorize Groton Utilities management to issue a purchase order to Ti Sales, Water and Wastewater Supplies, 36 Hudson Road (Route 27), Sudbury, Massachusetts for the purchase of replacement commercial and residential meters and associated parts / equipment as part of the Water Division's Advanced Metering Infrastructure Meter Replacement Project in the amount of Five Hundred Twenty Thousand Dollars and No Cents to be paid from funds available in the approved 2016 Water Bond Fund, and furthermore that the City Council be apprised of this action with the recommendation that it concur.

Manager Valentini reported this was for the continuation of the meter replacement project. Manager Stevens said the meter service staff will provide an update of the project at the next Commission meeting.

**Motion carried.**

## 12. ADJOURNMENT

There being no further business, at 12:02 p.m., **Commissioner Godley** moved, **Commissioner Duarte** seconded a motion to adjourn. **Motion carried.**

Attest:

Paul Duarte  
Clerk