

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

Minutes of Meeting  
November 14, 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, 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 Electric Randall S. Surprenant  
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  
Bozrah Office Manager Ruth Ouimet  
Meter & Service Tech Leader, Water Operations Russ Musante  
Meter and Service Technician Level III Operator Jay Riotte  
Meter and Service Technician Level III Operator Mauricio Duarte

**2. APPROVAL OF MINUTES**

**Commissioner Zuliani** moved, **Commissioner Scully** seconded a motion to approve the minutes of the regular meeting of October 17, 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 October 31, 2018. **Motion carried.**

**4. COMMUNICATIONS AND CORRESPONDENCE**

The following correspondence were received:

- Thank You note from Groton Public Schools Food Services staff thanking Groton Utilities for its donation of bags for the Summer Healthy Backpacks program

**5. PUBLIC COMMUNICATIONS**

Michael Boucher – 16 Hillside Avenue, Groton – Mr. Boucher addressed the Commission and asked a list of questions regarding the wastewater budget, cost of service study and the current user fee. Mr. Boucher also made comments regarding the Kentucky Derby issue, the role of the City Charter during the ethics commission investigation, payment of legal bills for former Commission DeMuzzio, and the ratepayer representative on the CMEEC board of directors.

Commissioner Godley reported on the CMEEC visit to FuelCell Energy. Commissioner Godley stated it was interesting to witness the manufacturing of the fuel cells and the background that was provided.

Chairperson Hedrick reported the CMEEC Board of Directors held an emergency Board of Directors meeting due to the recent federal indictments of CMEEC board members. Chairperson Hedrick stressed for the record that neither the City of Groton nor Groton Utilities were parties to the indictments. Additionally, payment for legal fees for past litigation is a matter of record, and Groton Utilities did not pay for the defense of these individuals involved in the litigation.

Chairperson Hedrick went on to state there is a distinction between the City of Groton, Groton Utilities, and CMEEC, as well as a distinction between CMEEC as an organization and the individuals involved. Chairperson Hedrick noted the City of Groton and Groton Utilities were the first municipal member utility to comply with Public Act 17-73 and had done so by November 2, 2017.

Chairperson Hedrick stated for the record that no communication regarding recent events would be provided outside of formal communication from the City of Groton Mayor's Office and read the following statement:

“Since they first become aware of CMEEC’s expenditure of its funds for out of state travel and activities, the City of Groton and Groton Utilities have taken appropriate actions to address and enforce the municipal ethics issues raised and to ensure that such practices cannot occur in the future. We have also fully cooperated with all other government agencies charged with investigating CMEEC, its personnel and their conduct. As a majority municipal owner of CMEEC, with the benefits of new representation, we remain vigilant in supervising both its ongoing business activities and its compliance with all applicable business standards.”

Chairperson Hedrick went on to state the federal indictments were imposed in individuals and not the organization of CMEEC as an entity. The City of Groton fully supported and continues to support this investigation.

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

Director Gaudet reported on the October 25, 2018 Board of Directors meeting and the visit to FuelCell Energy in Torrington, Connecticut. The TRANSCO budgets for 2019 have been approved. Two (2) Budget and Finance Committee meetings have been held, and the Governance Committee has recommended the slate of committee members for 2019. The slate of members will be voted on at the next Board of Directors meeting, scheduled for November 15, 2018.

**7. REGIONAL WATER UPDATE**

Manager Stevens reported he would be attending a Water Utility Coordinating Committee (WUUC) meeting later today.

**8. MONTHLY FINANCIAL HIGHLIGHTS**

General Manager Collard presented the following financial highlights:

*Electric:*

- Overall, total electric revenues for October are almost 2% (\$64,000) more than budget. The positive variance was driven by the one (1) Industrial Non-Manufacturing customer, which was over 7% more (\$59,000) than budget and more than offset the negative (\$24,000) variance from the Commercial Class. All other classes of service were above budget.
- Cooling degree day requirements for October were 18% less, and heating degree day requirements were 117% more than October of last year, which indicates more heating requirements for the month than last year.
- Operation and maintenance expense for the month is 17% (\$150,000) below budget.

- The net income from Operations for the month is 13% less than budget, and likely due to weather and cycle-billing related timing differences.
- For the fiscal year to date, net income from Operations is almost 12% more than budget, and net performance after the effects of TVC is almost 13% (\$181,000) more than budget.
- Days' cash on hand for the Electric Division is 108 days.
- Power purchased from solar customers' production is 167kWh for the month, which is almost 30% less than last October. In addition, 930 kWh was purchased from solar customer production for the fiscal year-to-date, which is about over 14% less than the same period last year.

*Water:*

- Water Division cash due from Electric is over \$251,000 and \$3,000 due from Sewer Division. 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 332 days. Combined Electric, Water, and Sewer days' cash on hand is 131 days.
- For the fiscal year-to-date, over \$16 million has been incurred for the Water Treatment Plant Upgrade project, and a total of \$14 million has been received from the Drinking Water State Revolving Fund (DWSRF) loan and grant. Construction Work in Progress (CWIP) is almost \$23 million and is expected to continue to rise as the project progresses.
- Total revenues overall for October are 3% or \$25,500 less than budget. Positive variances from the Industrial and Hydrant classes of service partially offset negative variances from all other classes of service. Commercial cubic feet sold was almost 21% below October of last year.
- Operation and maintenance expenses for October is 20.5% (\$151,000) less than budget. The 129% gain from the positive variance in Other Income & Deductions is related to the State of Connecticut, Department of Public Health (DPH) Consent Agreement projects that have only just begun. As the projects proceed, it is anticipated there will be less of a variance impact. Net earnings before the DWSRF grant for the month are 225% (\$199,000) greater than budget.
- Operation and maintenance expense for the fiscal year-to-date is almost 21% (\$618,000) less than budget. Net earnings before the DWSRF grant proceeds for the fiscal year-to-date is \$997,000 more than budget.
- The Water Treatment Plant (WTP) Restricted fund contains \$1.9 million for collections through the June 30, 2018 fiscal year end. For the first quarter 2019, \$208,000 was collected from rates and will be deposited to the WTP Restricted Fund in November.

*Sewer:*

- Total sewer revenues for the fourth month of operations are almost 13% below budget. For the fiscal year-to-date, revenues are 26% less than budget. If the effect of the industrial deduct meters had been known at budget preparation time, revenue would have been budgeted lower to reflect such deductions.
- Operation and maintenance expense for the fourth month of operations is 2% or \$4,000 below budget. The positive variance helped to offset some of the negative revenue variance for the month. Net Income from Operations for October is 47% or \$39,000 less than budget.
- Operation and maintenance expense for the fiscal year-to-date is almost 20% or \$163,000 below budget. The positive variance helped to offset some of the negative revenue variance for the period. As a result, net income from Operations for the fiscal year-to-date is 43% or \$282,000 less than budget.
- In addition, if the effect of the industrial deduct meters were known at budget preparation time, revenue would have been budgeted lower to reflect such deductions, and the net income comparison for the fiscal year-to-date would be a positive value which could be as much as \$167,000.

The Commission discussed the budget and the cost of service study. The Commission will continue to review the budget to determine if revisions need to be made.

## 9. PROJECTS / INITIATIVES UPDATE

### A. *Electric Division*

- LED Streetlight Project

Manager Roche provided a cost estimate for the replacement of Groton Utilities owned streetlights along with a map of the lights within the service territory. The Commission discussed the lights at Eastern Point Beach, as well as others that are currently not lit. It is anticipated the cost to replace the remaining streetlights will be include in next fiscal year's budget.

Manager Roche reported on battery testing at the substations and the completing of breaker maintenance. Line crews are running new wire to the Water Treatment Plant. Additionally, poles are being replaced on Tollgate Road.

### B. *Sewer Division*

- Digester Repairs Project

Manager Valentini reported the old mixers will be pulled out this week. The secondary tank is being filled and a soft spot found by the welder is being repaired.

There was discussion on budgeted versus non-budgeted items and the need for transparency and fiduciary responsibility. Manager Valentini stated the sewer budgets will be done similar to the Water Division going forward.

### C. *Water Division*

- WTP project

Manager Valentini gave an update on the concrete pouring, switchgear work, drainage pipes and centrifugal pumps. Management continues to work with Stantec and the state regarding the PCB issues and required amendments.

- Water Division's Advanced Metering Infrastructure Meter Replacement Project

Russell Musante, Jay Riotte, and Mauricio Duarte were present to discuss the project. The project began in 2012 with the first installation in 2013. Of the 6,900 meters, 4,978 have been upgraded since the project's inception. Due to the success of the project, Groton Utilities was featured in *Neptune Now*, a publication of the meter manufacture.

Mauricio Duarte gave a PowerPoint presentation on the project and current technology. The meter department expressed their appreciation and thanks to the Information Technology and Customer Service departments for their support of the project.

- Walker Hill Standpipe Project – Update

Manager Valentini reported the standpipe was being filled today and would take about four (4) days to complete. Once filled, sampling and leak testing will begin for thirty (30) days prior to the old tank coming offline.

- SCWA / Town of Ledyard Water Interconnections - Update

Manager Valentini reported two (2) of the five (5) connections have been completed. The connection to SCWA is being pressure tested. Work on a third connection will begin soon, before the winter weather prevents paving. It is anticipated the project will be completed next year.

- Manager Stevens gave an overview of the request for quotations (RFQ) for a forestry inventory and management program. The plan would be a five (5) to ten (10) year plan, to include proper forestry

management to curtail the spread of fires, watershed surveillance and thinning and maintaining the health of reservoir areas.

- D. *Administrative*  
No updates.
- E. *Key Accounts*  
No updates.

#### **10. OLD BUSINESS**

There was no old business to discuss.

#### **11. NEW BUSINESS**

**GUC-WPCA-18-11-20:** Consideration of and action to authorize Groton Utilities Management to waive the bidding requirement of Groton Utilities Policy No. 1004, *Policy and Procedures Governing the Purchasing Practices of Groton Utilities* and issue a purchase order to Earthlight Technologies, LLC., 92 West Road, Ellington, Connecticut for the purchase of material and installation to convert fluorescent fixtures of the remaining facilities audited to new light-emitting diode (LED) technology fixtures in an amount not to exceed One Hundred Fifty-Three Thousand Seven Hundred Seven Dollars and Eighty-Six Cents (\$153,707.86) to be paid from funds available in Groton Utilities Regional Greenhouse Gas Initiative (RGGI) fund held at the Connecticut Municipal Electric Energy Cooperative (CMEEC), 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 authorize Groton Utilities Management to waive the bidding requirement of Groton Utilities Policy No. 1004, *Policy and Procedures Governing the Purchasing Practices of Groton Utilities* and issue a purchase order to Earthlight Technologies, LLC., 92 West Road, Ellington, Connecticut for the purchase of material and installation to convert fluorescent fixtures of the remaining facilities audited to new light-emitting diode (LED) technology fixtures in an amount not to exceed One Hundred Fifty-Three Thousand Seven Hundred Seven Dollars and Eighty-Six Cents (\$153,707.86) to be paid from funds available in Groton Utilities Regional Greenhouse Gas Initiative (RGGI) fund held at the Connecticut Municipal Electric Energy Cooperative (CMEEC), and furthermore that the City Council be apprised of this action with the recommendation that it concur.

Commission Godley asked why this could not be done in-house or why it wasn't being bid. Engineer McKee stated the vendor has been vetted through the state and Eversource as an approved vendor. Director Gaudet stated Groton Utilities does not have licensed electricians on staff who could complete the work. Groton Utilities' electrician Steve Schaub will oversee the project.

#### **Motion carried.**

**GUC-WPCA-18-11-21:** Consideration of and action to authorize Groton Utilities management to issue a purchase order to Utility Financial Solutions, 185 Sun Meadow Court, Holland, Michigan for a Wastewater Cost of Service Analysis and Rate Plan in an amount not to exceed Twenty-One Thousand Dollars and No Cents (\$21,000.00) to be paid from funds available in the approved fiscal year 2019 Professional Services – Special fund, 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 authorize Groton Utilities management to issue a purchase order to Utility Financial Solutions, 185 Sun Meadow Court, Holland, Michigan for a Wastewater Cost of Service Analysis and Rate Plan in an amount not to exceed Twenty-One Thousand Dollars and No Cents (\$21,000.00) to be paid from funds available in the approved fiscal year 2019 Professional Services – Special fund, and furthermore that the City Council be apprised of this action with the recommendation that it concur.

Director Gaudet reported this item was part of the scope of the Groton Utilities and Bozrah Light and Power electric rate cost of service study and is now including the sewer model. This is a three (3) to five (5) year bid award and there are funds in a line item of the budget to cover costs for cost of service studies.

**Motion carried.**

**12. ADJOURNMENT**

There being no further business, at 11:33 p.m., **Commissioner Zuliani** moved, **Commissioner Duarte** seconded a motion to adjourn. **Motion carried.**