

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

Minutes of Meeting

June 19, 2019

1. CALL TO ORDER

Chairperson Hedrick called the meeting to order at 10:02 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 Administrative Assistant Maureen French
City Finance Director Ronald Yuhas
General Manager-Operations Mark A. Biron
General Manager-Key Accounts Leonard J. Mediavilla
General Manager-Customer Service Tina M. Daniels
Manager-Engineering Brian J. Roche
Manager-Water / PAF Richard M. Stevens
Manager-Operations Electric Randall S. Surprenant
Manager-Operations Water Raymond L. Valentini
Manager – Communications and Community Outreach Daniel L. Bouges
Utility Analyst Manager Aaron Brooks
Accounting Manager Yi Xiang
Senior Stockperson Dawn Renaldi
Water Treatment Plant Level III Operator Bill Rossi
Engineering Aide Martin Cloudas

2. APPROVAL OF MINUTES

No action taken.

3. REVIEW AND ACCEPTANCE OF TREASURER'S REPORT

Commissioner Zuliani moved, **Commissioner Scully** seconded a motion to approve the Treasurer's Report for the month ending April, 2019. 3 Ayes, 1 Abstention (Commissioner Godley).

Motion carried.

Commissioner Zuliani moved, **Commissioner Duarte** seconded a motion to approve the Treasurer's Report for the month ending May, 2019.

Motion Carried.

4. COMMUNICATIONS AND CORRESPONDENCE

The following correspondence were received:

- Letter to the Director regarding the Legislative Session
Mark DiBella with Medici,LLC, the Utilities' lobbyist services, addressed the Commission with an update and explained the Legislative Session recap. He provided three bullet points:
 - Public Act 1773 passed in 2017. Subsequent to that Act there have been attempted modifications, and has been successful in keeping Public Act 117 from modification.
 - Proposal to increase the primacy fee per service connection on each water company with over 100 connections to five dollars. A compromise was made that for the time being, DPH cannot go over three dollars per connection.

- Secured funding of \$200,000.00 (\$100,000.00 for FY 20 and FY 21) for the Heritage Park Water Taxi. Commissioner Zuliani inquired if updates are given when things are brought up in the legislative sessions that impact the Utility. Mr. DiBella indicated he speaks to the Director regularly and keeps him informed.
- Email sent from Tushar Dadarwala re- Electric Charging Station
This customer lives across the street from the Municipal Building and wrote the Mayor to inquire if there are plans to put in a charging station.
Director Gaudet informed the Commission that the Utility would have to do a cost study. There was a quick analysis done for installation of stations at Washington Park, Eastern Point Beach and the Municipal Building. The Municipal Building would require an electrical update prior to installation and that cost would need to be determined. Trenching would need to be done for installation of electrical services in the other locations.

Mayor Hedrick indicated that a Business Case Analysis would need to be completed and presented to the Commission; there are many things to consider. Commissioner Godley added that this is something the Commission should consider. Director Gaudet reminded that the Utility is promoting green energy putting money into electric vehicles with rebates; and it would make sense to promote the installation of charging stations. Commissioner Scully asked about transformer capacity for charging stations, and Manager Roche indicated some would need to be updated. Commissioner Scully indicated the need will be growing in the future, and urged Director Gaudet and General Manager Biron to go to Braintree, Massachusetts to see the electric charging stations there. Commissioner Duarte added that in Connecticut, any residential new construction must be electric charge hookup compatible.

- Commissioner Duarte reported that he recently attended the ACE 19 AWWA Conference in Denver, CO. The focus of the conference was on climate change and the impact on the Utility and the Municipality that owns it. Mayor Hedrick indicated the importance of resiliency planning cannot be underestimated. He added that it is projected by the year 2050 the sea level will rise twenty inches on the coast. Conversations have been initiated and an Ad Hoc Committee will soon be formed in the city to evaluate preparedness for the predicted environmental changes.
- Commissioner Zuliani reported that he recently attended the ACE 19 APPA Conference in Austin, TX and said it was very beneficial. He attended the conference with Engineering Manager, Brian Roche and added that he had learned a lot from Brian, also.

5. PUBLIC COMMUNICATIONS

There was no public communication.

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

Director Gaudet reported there were three CMEEC meetings held in May. The Legislative Committee the Governance Committee and the Board of Directors met. He continued to say that Governance Committee worked on a policy based on CMEEC's involvement with other business entities, and CMEEC is moving forward in revising the job description and hiring process to replace their CEO.

Mayor Hedrick reported that a motion was made in the Legislative Committee to contact Congressional Delegation for support at that Federal Level House Bill 530 and the Senate Bill 1699.

Mayor Hedrick added that Bill Kowalski with MECCA has resigned.

He also reported that attempts are being made by communication companies to put data receivers on the top of the utility poles, which can be problematic. Commissioner Scully indicated that there is a safety with utilities workers doing work on poles that hold this equipment.

7. REGIONAL WATER UPDATE

Manager Valentini reported that a meeting was held with Aquarion to discuss diverting more water to meet their service needs.. Mayor Hedrick asked if increasing the water supply would require changes to the current contract. Utility Analyst Manager Aaron Brooks responded that he would be drafting an amendment to the contract to refine the language in the contract, and the Commission will be informed of next steps.

Manager Stevens added that Manager Valentini offered Aquarion another approach; the alternative would produce an interconnection and provide accessibility to move water up Route 184. This alternative offers opportunity for the Utility to expand.

8. MONTHLY FINANCIAL HIGHLIGHTS

Accounting Manager Yi Xiang presented the following financial highlights:

Electric:

- Overall, total electric revenues for May are 2.5% or \$88K below the budget, and 0.7% or \$23K less than May of last year. The negative variance is driven by the Commercial Class and Industrial Non-Manufacturing Class. The FYTD Total Electric Revenues are 1.7% or \$725K more than budget and 2.6% or \$1.1M more than last FYTD. The positive variance is mostly driven by the Residential Class.
- This May is overall colder than May of last year. Heating Degree Day requirements are 10% less than May of last year.
- O&M Expenses for the month are 11.2% or \$98K less than budget, the FYTD O&M Expenses were 9.9% or \$966K less than budget.
- The Net Income from Operation for the month is 18.8% or \$42K over budget and Net Performance after the effects of TVC is 25% or \$42K over budget.
- The FYTD Net Income from Operation is 1.7% or \$74K more than budget and the YTD Net Performance after the effects of TVC is 1.9% or \$71K more than budget.
- Days' cash on hand for the Electric Division is 131 days.
- Power purchased from solar customers shown on the Statistic Schedule Page 4, 297k kWh was purchased from solar customer production for the month which is almost the same of last May and Page 5 reports more than 2M kWh was purchased from solar customer production for FYTD which is 2.3% less than last FYTD.

Water:

- Water Division cash in the Electric account is shown on Balance Sheet page 6, line 20 Due to Electric is \$363K and Line 31 shows \$3K due from Sewer Division. Cash Due to Electric is 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 272 days.
- The combined Electric and Water and Sewer Utility days cash on hand is 153 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.) A total of \$29M has been incurred for the project and a total of almost \$27M has been received from the Drinking Water State Revolving Fund (DWSRF) loan and grant.
- Total Revenues overall for May are 0.8% or \$6K over budget, and 7.3% or \$56K more than May of last year. FYTD Total Water Revenues are 1% or \$98K less than budget and 8.6% or \$749K more than last FYTD. The positive variance is driven by the Residential and Industrial Class.
- Total Revenues overall for May are 0.8% or \$6K over budget, and 7.3% or \$56K more than May of last year. FYTD Total Water Revenues are 1% or \$98K less than budget and 8.6% or \$749K more than last FYTD. The positive variance is driven by the Residential and Industrial Class.
- O&M expenses for May is 2.1% or \$15K less than budget. Net Earnings before the DWSRF Grant for the month are 85.2% or \$93K greater than budget.

- O&M Expense for the FYTD is 14.7% or \$1.2M less than budget. Net Earnings before the DWSRF grant proceeds for the FYTD is \$2M more than budget which is mostly due to below budget O&M expense and delay in the beginning of the DPH Consent Agreement Projects.
- The WTP Restricted fund (Balance Sheet page 6, line 26) contains \$2.4 million for collections through March 31, 2019.

Sewer:

- Sewer Division cash in the Electric account is shown on page 11, line 24 of the balance sheet Due from Electric is \$930K and Line 21 shows \$3K due to the Water Division and line 23 shows \$2K due to the City. Netted out together the total Cash balance of the Sewer Division at May 31, 2019 is \$1.6 million.
- Total Sewer Revenues for May are 7.5% or \$29K below budget. The negative variance is mostly driven by the Commercial and Industrial Class. In May 2019, 6% of metered water usage was deducted from the one Industrial customer.
- For the FYTD Sewer Revenues are 12.8% or \$579K less than budget, and 24% of metered water usage was deducted from the one Industrial customer. (The budget revenues were developed by the rate consultant as part of a Cost of Service Study (COSS) which used historical cubic-foot data from water sales to City of Groton residents and did not provide for deductions for metered water usage that would not be disbursed into the sewer system, as such were not identified). The deductions for metered water usage was as not as great of an impact for May as it was in previous months. (Subsequently, an analysis of more current water usage, including deduction meter data, indicates that revenues FY 2019 will fall more than 20% below budget

If the effect of the industrial deduct meters were known at budget preparation time, revenue would have been budgeted lower to reflect such deductions.

- O&M expenses for the month of May are 19.3% or \$40K below budget. As a result, Net Income from Operations for May is 9.9% or \$11K more than budget.
- O&M expenses for FYTD are 14.2% or \$324K 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 FYTD is 15.8% or \$239K 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 FYTD would be a positive value.*

9. PROJECTS / INITIATIVES UPDATE

- A.** Director Gaudet referenced the changes in the Director's Report with the added section that lists sponsorships. The Mayor requested that there be publication for our sponsorship to the town. Commissioner Zuliani complimented the report. He added that his attendance at the APPA Ace 19 last week, the emphasis was on advertising and getting the word out about the good work that is getting done.
- B. Electric Division**
Manager Roche reported on the following:
- Work on Tollgate Road will be completed at the end of the month.
 - At Ella Grasso Tech, the service is in; the only thing remaining is the installation of conduit and wire once the maintenance building is completed.
 - Cutout work continues – over 400 cutouts have been replaced.
 - Line Crews will be replacing condemned poles throughout the service territory.
 - Battery maintenance has been completed at Trails Corner substations. Testing will take place at Poquonnock substation next.
 - Two reactors were installed at Buddington substation.
 - Pleasant Valley substation had a PT failure which caused a power outage.

There was a tree that fell on Sunday on Gungywamp Road. The Static wire got energized by the 35 kV line. Customers in that area whose meters were damaged, were notified that GU recommend that their system be evaluated by an electrician.

C. *Sewer Division*

- Manager Valentini reported that a new pump was installed at Colonial Manner and the volute cracked. It is believed to be a defect; management is waiting for a response.
- Mayor Hedrick pointed out to the Commission that the levels indicated on the Nitrogen graph were favorable.

D. *Water Division*

- Manager Stevens informed the Commission that an application has been submitted asking for permission to change the chemicals they are using, and said that customers will get notified of the change.
- Since 2002, the Utility has known about the Atkinson Property in Gales Ferry. The goal has been to protect this property because it impacts the Utility Watershed. Avalonia has offered a partnership to Groton Utility which GU would have financial and leadership contribution in. They will offer more protection surrounding the reservoir. Avalonia will hold a hike in July. He added that Avalonia would like to present at the Utility Commission next month. They plan to develop a nature trail for hiking and scientific study. Manager Stevens added that he believes it to be very beneficial.

Commissioner Godley asked if we have considered opening up the reservoir to make it accessible to the public for walks, etc. Manager Stevens said a study was done to determine what we would need for staffing. He added that a staffing proposal could be put together, but believes the opportunity for the trail with Avalonia will satisfy desire for public access. Manager Valentini said that Walker Hill Tank Phase I is completed. The Mayor has contracts that will be sent which will initiate Phase II. Following Phase II pump station progress will begin.

- WTP- most of the activity is in the DAF plant. One water tank has a leak, it was drained and management is awaiting results.
- PCBs- unit 3 was blasted. Paperwork is being completed and a letter will be sent to EPA. Management is hoping for approval to encapsulate.
- Manager Stevens added Water Management has been working with General Manager Blanchette in IT. General Manager Blanchette has set up a meeting with Scan Optics to evaluate having 117 boxes of records scanned and shred. He expects a proposal to be presented to the Commission in July.

E. *Administrative*

No updates.

F. *Key Accounts*

No updates

10. OLD BUSINESS

A. Customer Service: Rules and Regulations

General Manager Daniels there will be no changes at this time.

11. NEW BUSINESS

- A.** Safety-Dawn Renaldi and Bill Rossi, co- chairs for the Groton Utilities Safety Team were present for the Utilities Commission Meeting Team. Bill Rossi addressed the Commission with request for Support and approval for renewal of the contract for Jim Healey, the contracted A/Z Corporation safety consultant. The Commission was informed about the recent CPR and Stop

the Bleed trainings recently offered to all GU employees. Bill spoke about the Safety Commendations that are given and explained the value of peer to peer recognition, and added that Jim Healey's support and leadership has a tremendous impact.

Mayor Hedrick added the Utility has embraced a culture of safety and he would like to import that to the City to get the same level of dedication and involvement. He indicated that the safety consultant has had a positive impact.

Commissioner Scully agreed. He reported that Groton Utilities has always had a great safety initiative, but the contribution of Jim Healey has stepped that up.

B. 2019 Community Service Award Committee

A member from the Utility Commission participates on the Jacqueline B. Nixon Community Service Award Committee each year. The Commission was asked for a member to volunteer on the committee. Commissioner Zuliani volunteered to participate on the 2019 Jacqueline B. Nixon Award Committee.

12. ACTION ITEMS

- A. GUC-WPCA-19-6-26** Consideration of and action to authorize Groton Utilities Management to purchase one (1) year of safety consulting services from A/Z Corporation, 46 Norwich-Westerly Road, North Stonington, Connecticut in an amount not to exceed One Hundred Thirty Three Thousand Five Hundred Eighty Four Dollars and No Cents (\$133,584.00) to be paid from funds available in the approved Fiscal Year 2020 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 Godley** seconded that the Groton Utilities Commission authorize Groton Utilities Management to purchase one (1) year of safety consulting services from A/Z Corporation, 46 Norwich-Westerly Road, North Stonington, Connecticut in an amount not to exceed One Hundred Thirty Three Thousand Five Hundred Eighty Four Dollars and No Cents (\$133,584.00) to be paid from funds available in the approved Fiscal Year 2020 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 Godley questioned if the Utility has considered insourcing this position. Director Gaudet replied that it is more economical this way, and the consultant position will be rebid when the contract is up.

A/Z Corporation has been the City of Groton/Groton Utilities Safety Consultant provider for the last three (3) years. The agreement at the time of hiring was for one (1) year of service with an option of yearly renewals over the next four (4) years.

Mayor Hedrick added that the City has the ability to reach back to A/Z if expertise is needed that Jim does not have, A/Z can provide. If Jim Healey was instrumental with the City's presentation to Conn OSHA when they came into inspect.

Motion carried.

- B. GUC-WPCA-19-6-27:** Consideration and action to authorize Groton Utilities Management to purchase annual maintenance and support for the period from July 1, 2019 through June 30, 2020 for the Springbrook/Accela financial accounting system as used by the City of Groton, Groton Utilities and Bozrah Light and Power Company Electric; from the Sole Source Provider Springbrook – An Accela Company, Accela, Inc., 4375 Solutions Center, Chicago, IL 60677-4003, for an amount not to

exceed Fifty-Six Thousand Two Hundred Fifty-Three Dollars and Zero Cents (\$56,253.00) to be paid from funds available in the approved Fiscal Year 2020 Utilities Finance and Accounting budget and 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 authorize Groton Utilities Management to purchase annual maintenance and support for the period from July 1, 2019 through June 30, 2020 for the Springbrook/Accela financial accounting system as used by the City of Groton, Groton Utilities and Bozrah Light and Power Company Electric; from the Sole Source Provider Springbrook – An Accela Company, Accela, Inc., 4375 Solutions Center, Chicago, IL 60677-4003, for an amount not to exceed Fifty-Six Thousand Two Hundred Fifty-Three Dollars and Zero Cents (\$56,253.00) to be paid from funds available in the approved Fiscal Year 2020 Utilities Finance and Accounting budget and that the City Council be apprised of this action with the recommendation that it concur.

Director Gaudet informed the Commission this is the core financial system for the Utility, BL& Power and for the City. This is a standard renewal.

Motion carried.

- C. GUC-WPCA-19-6-28:** Consideration and action to authorize Groton Utilities Management to issue a purchase order to Halberg Electric, 14 Quaker Ridge Road, Bethel, CT 06801 to replace three aging traffic light fixtures and controllers on Thames Street in Groton, Connecticut, as recommended by Management as the lowest of three responsible bidders, in an amount not to exceed One Hundred Twelve Thousand Three Hundred Fifty Nine Dollars and No Cents (\$112,359.00) to be paid from funds in the 2016 Electric bond fund, and anticipated in the Electric approved Fiscal Year 2020 capital budget, and furthermore that the City Council be apprised of this action with the recommendation that it concur

Commissioner Scully moved, **Commissioner Duarte** seconded that the Groton Utilities Commission authorize Groton Utilities Management to issue a purchase order to Halberg Electric, 14 Quaker Ridge Road, Bethel, CT 06801 to replace three aging traffic light fixtures and controllers on Thames Street in Groton, Connecticut, as recommended by Management as the lowest of three responsible bidders, in an amount not to exceed One Hundred Twelve Thousand Three Hundred Fifty Nine Dollars and No Cents (\$112,359.00) to be paid from funds in the 2016 Electric bond fund, and anticipated in the Electric approved Fiscal Year 2020 capital budget, and furthermore that the City Council be apprised of this action with the recommendation that it concur.

Commissioner Duarte asked if the Police and Fire Department will have the ability to change traffic lights as needed. Manager Roche informed that there is capability to manually control the lights.

Motion carried.

- D. GUC-WPCA-19-6-29:** Consideration of and action to authorize Groton Utilities Management to purchase services for online bill payments from Paymentus Group, Inc., 13024 Ballantyne Corporate Place, Suite 450, Charlotte, North Carolina in an amount not to exceed One Hundred Sixty Five Thousand Dollars and No Cents (\$165,000.00) to be paid from funds available in the approved Fiscal Year 2020 Electric, Water, and Sewer Operating and Capital Budgets, and furthermore that the City Council be apprised of this action with the recommendation that it concur

Commissioner Zuliani moved, **Commissioner Scully** seconded that the Groton Utilities Commission authorize Groton Utilities Management to purchase services for online bill payments from Paymentus Group, Inc., 13024 Ballantyne Corporate Place, Suite 450, Charlotte, North Carolina in an amount not to exceed One Hundred Sixty Five Thousand Dollars and No Cents (\$165,000.00) to be paid from funds available in the approved Fiscal Year 2020 Electric, Water, and Sewer Operating and Capital Budgets, and furthermore that the City Council be apprised of this action with the recommendation that it concur

General Manager Daniels indicated this is a renewal for the online web portal. She added that Paymentus is our preferred provider by the billing system.

Motion carried.

E. GUC-WPCA-19-6-30: Consideration of and action to authorize Groton Utilities Management to purchase services from Corporate Mailing Services, PO Box 242, Trumbull, Connecticut for outsource mailing service in an amount not to exceed One Hundred Ten Thousand Dollars and No Cents (\$110,000.00) to be paid from funds available in the approved Fiscal Year 2020 Electric, Water and Sewer Operating and Capital Budgets, and furthermore, that the City Council be apprised of this action with the recommendation that it concur

F. Commissioner Godley moved, **Commissioner Duarte** seconded that the Groton Utilities Commission authorize Groton Utilities Management to purchase services for online bill payments from Paymentus Group, Inc., 13024 Ballantyne Corporate Place, Suite 450, Charlotte, North Carolina in an amount not to exceed One Hundred Sixty Five Thousand Dollars and No Cents (\$165,000.00) to be paid from funds available in the approved Fiscal Year 2020 Electric, Water, and Sewer Operating and Capital Budgets, and furthermore that the City Council be apprised of this action with the recommendation that it concur.

General Manager Daniels informed the Commission Corporate Mailing Services is the mailing system for the Utility and this purchase also includes all of the postage for billing, and this is an annual renewal.

Motion carried.

13. POSSIBLE EXECUTIVE SESSION

There was no Executive Session.

14. TRAINING

Brian Roche prepared a presentation for the Utility Commission on Reliability Statistics.

Brian included a statistics chart that he developed. The Commission was in agreement that they would like to see that chart replace the electrical statistic graphs in the Director's Report.

15. ADJOURNMENT

There being no further business, at 12:15 p.m., **Commissioner Zuliani** moved, **Commissioner Scully** seconded a motion to adjourn. **Motion carried.**

Attest:

Paul Duarte
Clerk