

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

Minutes of Meeting

April 17, 2019

1. CALL TO ORDER

Chairperson Hedrick called the meeting to order at 10:03 AM

ROLL CALL

Present: Chairperson Mayor Keith Hedrick

Commissioners: Jeffrey Godley, George Scully, Robert Zuliani

Absent: Paul Duarte

Staff present: General Manager-Information Technology Susan G. Blanchette
Executive Administrative Assistant Maureen French
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 Water Raymond L. Valentini
Utility Analyst Manager Aaron Brooks
Accounting Manager Yi Xiang
Finance Manager Ronald Yuhas
Water Quality Manager Stephen Dietrich

2. APPROVAL OF MINUTES

Commissioner Scully moved, **Commissioner Zuliani** seconded a motion to approve the minutes of the Special meeting of April 10, 2019. **Motion carried** with one abstention (**Commissioner Godley**)

Commissioner Godley moved, **Commissioner Zuliani** seconded a motion to approve the minutes of the regular meeting of March 20, 2019.

One correction reported: General Manager Blanchette was not present

Motion passed with correction (one abstention: **Commissioner Scully**)

3. REVIEW AND ACCEPTANCE OF TREASURER'S REPORT

Commissioner Zuliani moved, **Commissioner Godley** seconded a motion to approve the Treasurer's Report for the month ending March 31, 2019. **Motion carried.**

4. COMMUNICATIONS AND CORRESPONDENCE

- Letter from DEP (3/11/2019) regarding The Clean Water Act grant application- Manager Stevens indicated there is no need to go further with the grant application.
- Watershed Sanitary Survey Report- Mayor Hedrick indicated that Heidi Comeau will reach out to GU Management about storm water management.
- Letter from State of CT –Water Operations Plant staff has been chosen for the DPH Merit Award. The letter of notification gives recognition to Manager Stevens for a great job by his team under his leadership. Mayor Hedrick noted the Commission would be invited to the award ceremony at a date to be determined.

5. PUBLIC COMMUNICATIONS

There was no Public Communication.

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

Minutes of the CMEEC meetings were included in the package. Mayor Hedrick reported that a hearing is scheduled on May 9th. Commissioner Godley reported that the CMEEC Special Committee has given a list of recommendations to improve CMEEC Governance.

7. REGIONAL WATER UPDATE

Manager Stevens reported that Groton was asked to review Norwich's application for their Diversion Permit. A letter to the Consultants will be sent by Groton Utilities Management with notification that they will defer review to the Regulators.

Norwich is planning to now sign on with the interconnects. Manager Stevens and Manager Valentini presented Chris Larose and Mark Decker, from Norwich Public Utilities, with drawings. They will review the drawings for about three weeks, and following review, involvement will be required by Groton Utilities' upper management to move forward.

8. MONTHLY FINANCIAL HIGHLIGHTS

Finance Manager Yi Xiang

Electric:

- Overall Total Electric Revenues for March are 2.7% (\$109k) over the budget, and 11.6% (\$435k) more than March of last year. Revenues from the Residential Class are 7.5% more than budget and more than offset Revenues from the one Industrial Non-Manufacturing customer which is 4.8% less than budget. The FYTD Total Electric Revenues are 1.9% more than the budget and 2.9% more than last FYTD.
- This March was overall colder than March of last year. Heating Degree Day requirements were 7% more than March of last year.
- O&M Expenses for the month are 6% less than budget, the FYTD O&M Expenses were 9.3% (\$737k) less than budget.
- The Net Income from Operation for the month is 69% over budget and Net Performance after the effects of TVC is 91% over budget and driven by the over budget Revenues and the below budget O&M Expenses. The FYTD Net Income from Operation is 0.9% (\$31k) more than budget and Net Performance after the effects of TVC is 1% (\$29k) more than budget.
- Days' cash on hand for the electric Division is 106 days.
- Power purchased from solar customers shown on the Statistic Schedule Page 4, 203k kWh was purchased from solar customer production for the month which is almost 6% more than last March and Page 5 reports almost 1.7 million kWh was purchased from solar customer production for FYTD which is 3.8% 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 \$527k and Line 30 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 239 days. Combined Electric and Water days' cash on hand is 125 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 \$25 million has been incurred for the project and a total of almost \$23.5 million has been received from the Drinking Water State Revolving Fund (DWSRF) loan and grant.
- Total Revenues overall for March are 1.2% or 10k below budget, 16.8% or 116k more than March of last year. FYTD Total Water Revenues are 0.1% or \$7k more than budget and 8.1% or \$585K more than last FYTD.
- O&M expenses for March is 4.6% or \$34K less than budget. The gain from the positive variance in Other Income & Deductions is related to the DPH Consent Agreement projects which started at the beginning of this fiscal year. Net Earnings before the DWSRF Grant for the month are 124K greater than budget.
- Operation & Maintenance Expense for the FYTD is almost 16% or \$1.1M less than budget. Net Earnings before the DWSRF grant proceeds for the FYTD is almost \$1.8M 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 \$2.3 million for collections through December 31, 2018. The total amount of WTP Restricted fund for the third quarter (January 2019 to March 2019) will be calculated and transferred in April.

Sewer:

- Sewer division cash in the electric account is shown on page 11, line 24 of the balance sheet. Due from Electric is \$393k and Line 21 shows \$3k due to the Water Division and line 23 shows \$2k due to the City. Netted out together the Cash balance of the Sewer Division at March 31, 2019 is \$388k. In addition, on March 19, 2019, there was a total of \$665k that was transferred from the City to the Sewer Division for the issuance of the Sewer Treatment Plant bond. Total cash balance for the Sewer Division at March 31, 2019 is almost \$1.1M.
- Total Sewer Revenues for March are 2.3% or \$9k below budget. The negative variance is mostly driven by the Commercial Class. In March 2019, only 5% of metered water usage was deducted from the one industrial customer.
- For the FYTD Sewer Revenues are 13% or \$484k less than budget. (The budget revenues were developed by the rate consultant as part of a Cost of Service Study (COSS) which used historical cubic-feet 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 March 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).

- Operation and Maintenance expense for the month of March is 0.9% or \$2k below budget. As a result, net Income from Operations for is 4.8% or \$5k less than 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.

- Operation and Maintenance expense for FYTD is 12.6% or \$236k 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 18.9% or \$235k 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. Electric Division

- Agenda Item 9A will not be presented today. Mayor Hedrick did give a summary of the events of the April 2nd outage that occurred when a crane working on the Interstate 95 took down electric wires. General Manager Daniels reported that customers affected by the outage called, but not one customer complained; she indicated there was overwhelming respect and concern for the Electric Crews.
- Manager Roche reported that crews are about a week away from running a second half wire from midpoint at Tollgate down to Route 12, and this could be completed next month.
- In March, 35 Breakers were taken out of service at Poquonnock Substation, cleaned, tested, and replaced.
- A new underground service was energized at Ella Grasso on March 22.
- An outage at Avery Point during a rain storm occurred last week, and the outage caused a pole fire. The circuit was turned off to replace the insulator.
- A wind storm caused a tree to fall in the Midway Oval section of Groton. The circuit was taken out. Crews responded quickly and the power was restored.

C. Water Division

- WTP – Progress moving ahead very well with piping new domestic water lines in front and lining 16” pipe from Poquonnock Road to the gas pumps (1000 feet).
- There are three walls up in the DAF section of the WTP.
- The aeration system inside the plant is starting to be installed.
- PCBs- Stantec sent correspondence to EPA and DEEP. A meeting is scheduled for this week with contractors and more information will be obtained.
- Walker Hill –Demolition of the old tank is scheduled to start the week of 4/22.
- Manager Stevens presented the Commission with update on the Avalonia Land Conservancy. Manager Stevens offered a brief history and informed that Avalonia had put together a grant and property was put into a conservancy. He continued to say that there is an almost 100 acre parcel of land within that conservancy which contains 23

acres of wetlands that bypasses the reservoir system and can adversely affect our system in a short period of time. Water Management met with Avalonia to see if it may be possible for Groton Utilities to purchase that parcel to protect our resources. Manager Stevens indicated this would have a beneficial impact for water quality, for the future, and for protection of our valuable resources. Manager Stevens wanted to bring the meeting with Avalonia to the Commission's attention. No action has been taken.

- Manager Stevens informed the Commission regarding a public notice of P3- Public Private Partnerships. An alert was sent by AWWA and he brought it to the Commission's attention.
- Manager Stevens presented an Aquarion rate comparison prepared by Aaron Brooks. This presents an opportunity and Groton Utilities may be able to offer to increase the amount of water that is provided to them.

Mayor Hedrick inquired about the contract and indicated he would speak to Director Gaudet about initiating contract revision.

D. *Sewer*

- Manager Valentini reported that there was a spill in Groton Estates following a burned building. There was a lot of trash put down the sewer which damaged the sewer line. GU will send a bill to cover the work that needed to be completed.
- There is a plan to replace the Vaughn Pump and the Polymer Feed in the proposed FY2020 budget.
- Mayor Hedrick complimented that the Utility will receive about \$13,000.00 for Nitrogen credits.

10. OLD BUSINESS

A. CMEEC Director Appointments

The Groton Utilities Director is Member and a Delegate; Commissioner Godley is a Member and a Delegate, and the Mayor is an Alternate Member. Mayor Hedrick reported that we need another Alternate member, but has been informed by Director Gaudet that not everyone has that fourth position filled in CMEEC. Action may be for the future. Bozrah will be voting on an Alternate position at next week's meeting.

11. NEW BUSINESS

12. ACTION ITEMS

- A. **GUC-WPCA-19-4-16:** Consideration of and action to authorize Groton Utilities Management to waive the bidding requirement of Policy #1004 "Policy and Procedures Governing the Purchasing Practices of Groton Utilities" and authorize Groton Utilities Management to purchase professional services for operating system and database version upgrades from Harris Computer Systems (North|Star Utilities Solutions), 62133 Collections Center Drive, Chicago, IL 60693-0621, a sole source provider, for an amount not to exceed fifty-four thousand dollars and no cents (\$54,000.00) to be paid from funds available in the 2018-2019 IT Department approved Operations and Maintenance Budget, and furthermore that the City Council be apprised of this action with the recommendation that it concur

Commissioner Godley moved, **Commissioner Scully** seconded

The Commission was informed that this item was brought to City Council on April 15, 2019 and was approved. There was no further discussion.
Motion carried.

- B. GUC-WPCA-19-4-17:** Consideration of and action to authorize Groton Utilities Management to issue a purchase order to Service Station Equipment, Inc., 20 Murphy Road, the state preferred vendor, 20 Murphy Road, North Franklin, CT 06254, for a 3000 gallon convault above ground tank and installation to replace the existing Underground Storage Tank at the Wastewater Treatment Facility as a non-budgeted project for an amount not to exceed One Hundred Ten Thousand Dollars and No Cents (\$110,000.00) to be paid from available cash in the approved FY 2019 Sewer Budget and furthermore that the City Council be apprised of this action with the recommendation that it concur

Commissioner Zuliani moved, **Commissioner Scully** seconded

The Commission was informed this item went to City Council on Monday, April 14, 2019, and was approved.

In response to questions, Manger Valentini informed the Commission that the above ground tank is the same size as the previous one; and the old tank will be removed. There was no further discussion.

Motion carried.

- C. GUC-WPCA-19-4-18:** Consideration and action to authorize Groton Utilities Management to purchase maintenance on the Huber Intake Filter Screen System in the Influent Room at the Pollution Abatement Facility from Huber Technology, Inc., 9735 Net Cross Center Courte, Suite A, Huntersville, North Carolina, 28078, as a sole source provider, for an amount not to exceed the quoted amount of Twenty Thousand Two Hundred Forty Five Dollars and Eighteen Cents (\$20,245.18) as a non-budgeted repair to be paid from the Sewer Maintenance Fund in the approved FY 2019 Budget, and furthermore that the City Council be apprised of this action with the recommendation that it concur

Commissioner Godley moved, **Commissioner Scully** seconded

Manager Valentini he had presented this at a previous Utilities Commission meeting. He explained the importance of the screen and its function to grab all solids. The machine is from Germany and there is a plan to have it maintained every two years. He added that in the 3-5 days of this work, the focus will be on the screens at the 9 pump stations to collect solids prior to reaching the PAF.

- D. GUC-WPCA-19-4-19:** Consideration and action to authorize Groton Utilities' Management to award the contract for the Walker Hill Road and Tollgate Road 16" Water Main Installation to B & W Paving and Landscaping, LLC, 70 Foster Road, Waterford, Connecticut based on its unit price low bid of Eight Hundred Fifty Five Thousand Eighty Dollars and No Cents (\$855,080.00) to be paid from funds in the

approved 2016 Water Bond fund, and that Mayor Keith Hedrick be authorized to execute the agreement, and furthermore that the City Council be apprised of this action with recommendation that it concur

Commissioner Zuliani moved, **Commissioner Scully** seconded

Questions were answered as to the direct location of this water line.
Motion passed with one abstention (**Commissioner Godley**).

- E. GUC-WPCA-19-4-20:** Consideration and action to authorize Groton Utilities Management to issue a purchase order to Thermo Electron North America, LLC, 5225 Verona Road, Madison, WI 53711 for one Dionex Aquion Ion Chromatography Instrument for the Groton Utilities Water Treatment Plant Lab to replace the existing one which can no longer be supported by its manufacturer for a quoted amount not to exceed Twenty Two Thousand Three Hundred Fifty Nine Dollars and No Cents (\$22,359.00) as a non-budgeted purchase to be paid from available cash in the FY 2019 Water Department Budget, and furthermore, that the City Council be apprised of this action with the recommendation that it concur

Commissioner Godley moved, **Commissioner Scully** seconded

Water Quality Stephen Dietrich announced that the amount in the quote for the above action item is different that noted above. The Action Item was revised due to error. The corrected action is as follows:

Consideration and action to authorize Groton Utilities Management to issue a purchase order to Thermo Electron North America, LLC, 5225 Verona Road, Madison, WI 53711 for one Dionex Aquion Ion Chromatography Instrument for the Groton Utilities Water Treatment Plant Lab to replace the existing one which can no longer be supported by its manufacturer for a quoted amount not to exceed Twenty Two Thousand Three Hundred Fifty Nine Dollars and **Forty One Cents** (\$22,359.41) as a non-budgeted purchase to be paid from available cash in the FY 2019 Water Department Budget, and furthermore, that the City Council be apprised of this action with the recommendation that it concur

Motion carried.

- F. GUC-WPCA-19-4-21:** Consideration and action to approve Revisions to Policy # 1004: Policy and Procedures Governing the Purchasing Practices of Groton Utilities, and furthermore, that the City Council be apprised of this action with the recommendation that it concur

Commissioner Zuliani complimented General Manager Blanchette for her work on the revised policy.

Commissioner Zuliani moved, **Commissioner Godley** seconded

General Manager Blanchette directed the Commissioners to the latest revisions made to the draft policy based on feedback provided during the previous GUC-WPCA meeting held on March 20, 2019. There were no questions or comments on the proposed revisions. A discussion ensued on the subject and definition of “budgeted” versus “non-budgeted” purchases as referenced in the Sources of Funding pages of the document. Several members of GU staff, GUC Commissioners, and the City Finance Director provided commentary. Mayor Hedrick expressed his concerns that funds are being misused when purchases are defined as budgeted but not specifically identified in a detailed budget preparation document. Several examples were discussed. General Manager Blanchette was tasked with modifying the language in the referenced section to define any purchase in an amount of \$10,000.00 or more; and not otherwise itemized in the budget process; as non-budgeted and subject to approval by the GUC and City Council prior to the issuance of a purchase order

Mayor Hedrick asked for a motion to postpone Action Item GUC-WPCA-19-4-21 until the next regularly scheduled GU-WPCA meeting (May 15).

Commissioner Godley moved, **Commissioner Zuliani** seconded
Motion carried.

- G. GUC-WPCA-19-4-22:** Consideration of and action to approve the Operating and Capital Budgets for the Electric Division for Fiscal Year 2019-2020 and furthermore, that the City Council be apprised of this action with the recommendation that it concur

Commissioner Zuliani moved, **Commissioner Scully** seconded
Motion carried

- H. GUC-WPCA-19-4-23:** Consideration of and action to approve the Operating and Capital Budgets for the Water Division for Fiscal Year 2019-2020 and furthermore, that the City Council be apprised of this action with the recommendation that it concur

Commissioner Scully moved, **Commissioner Godley** seconded
Motion carried.

- I. GUC-WPCA-19-4-24:** Consideration of and action to approve the Operating and Capital Budgets for the Sewer Division for Fiscal Year 2019-2020 and furthermore, that the City Council be apprised of this action with the recommendation that it concur

Commissioner Zuliani moved, **Commissioner Scully** seconded
Motion carried

13. POSSIBLE EXECUTIVE SESSION

There was no Executive Session

14. TRAINING

Water Quality Manager Stephen Dietrich educated the Commission on Trihalomethanes (THMs).

He explained that managing our forest will help to manage the organic matter that can become an issue when it comes into contact with chlorine. He spoke about the regulation requirements of 80 PPB and how Groton Utilities' process provides multi barrier production so that the projected THMs are 60 PPB.

15. ADJOURNMENT

There being no further business, at 12:17 p.m. **Commissioner Godley** moved, **Commissioner Scully** seconded a motion to adjourn. Meeting adjourned.

Attest:

Paul Duarte
Clerk