

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

August 21, 2019 10:00 a.m.
City of Groton Municipal Building
Council Chambers

1. CALL TO ORDER

Chairperson Hedrick called the meeting to order at 10:00 a.m.

ROLL CALL

Present: Chairperson Mayor Keith Hedrick

Commissioners: Paul Duarte, Jeffrey Godley, Robert Zuliani

Absent: George Scully

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
General Manager Sue Blanchette
Manager-Water / PAF Richard M. Stevens
Manager-Operations Water Raymond L. Valentini
Watershed Patrol and Surveillance Ron Bata
Watershed Patrol and Surveillance Kate Blacker
Water Project Manager Senior Technical Aide Doug LaFontaine
Manager – Communications and Community Outreach Daniel L. Bouges
Utility Analyst Manager Aaron Brooks
Accounting Manager Yi Xiang
Director of Finance Ronald Yuhas

2. APPROVAL OF MINUTES

Commissioner Godley moved, **Commissioner Duarte** seconded a motion to approve the minutes of the May 15, 2019 meeting.

Motion carried

Commissioner Duarte moved, **Commissioner Zuliani** seconded a motion to approve the minutes of the June 19, 2019 meeting.

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 June, 2019.

Motion carried

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

Motion carried.

4. COMMUNICATIONS AND CORRESPONDENCE

There was no communication and correspondence received in the month of July.

5. PUBLIC COMMUNICATIONS

There was no public communication.

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

Utility Director Gaudet reported that multiple meetings have occurred. All of the CMEEC Alternate Member and Director positions have been filled with the exception of a Rate Payer Member for Bozrah and Alternate Director for Groton. He also reported that the Governance Committee plans to present an Ethics Policy to the BOD which will require reporting of any financial issues. Chairperson Hedrick added that from a risk management perspective, a general presentation will be made to the Board that involves some risk if CMEEC decides to participate with Solar. There will be more discussion on this in the future as this will affect the Municipal Electric Utilities if CMEEC moves forward with solar business.

7. REGIONAL WATER UPDATE

Manager Valentini reported that four of the five projects with the Southeastern Connecticut Water Authority (SCWA) have been completed. A pipe has been delivered for Iron Street project and that will complete that the five projects.

8. MONTHLY FINANCIAL HIGHLIGHTS

Accounting Manager Yi Xiang presented the following financial highlights:

Electric:

- Overall Total Electric Revenues for July are almost flat compared with budget and July of last year.
- This July is hotter than July of last year. Heating Degree Day requirements are 45% more than July of last year.
- The first month of the new fiscal year typically out performs budget because non-power related operating expenses are spread evenly over twelve (12) month. For July, O&M Expenses for the month are 21.7% or \$205K less than budget. The Net Performance after the effects of TVC is 132.5% or \$154K more than budget due to the below budget O&M Expenses.
- Days' cash on hand for Electric Division is 119 days.
- Power purchased from solar customers for the month are 290k kWh, which is 10% less than last July.
- A CY2018 CMEEC Equity Distribution of \$1.3M has been transferred to Rate Stabilization Fund (RSF) at CMEEC in June 2019.

Water:

- Total Water Revenues presented for the month of July are 5.2% or \$53K below budget. The negative variance is driven by almost all Classes.

- O&M expenses for July is 24% or \$189K less than budget. Net Earnings before the DWSRF Grant for the month are \$216K greater than budget which is mostly due to below budget O&M Expenses and delay of DPH Consent Agreement Projects.
- As end of July 2019, almost \$32M has been incurred for the Water Treatment Plant project. Total \$30.5M has been received from Drinking State Revolving Loan Fund (DWSRF), including \$8.5M for grants and \$22M for loan
- Days' cash on hand for the water division is 277 days.
- The combined Electric and Water and Sewer Utility days cash on hand is 147 days.
- The WTP Restricted fund (Balance Sheet page 4, line 26) contains almost \$2.7 million for collections through June 30, 2019.

Sewer:

- Total Sewer Revenues for July are 5.1% or \$16K over budget. The positive variance is driven by Industrial Class.
- O&M expenses for the month of July are 37% or \$83K below budget. As a result, Net Income from Operations for July is \$101K more than budget.
- As of 7/31/19, net cash available for Sewer Division is \$1.9M. Commissioner Zuliani indicated that the Operating and Maintenance expenses seem extreme and understood that the expenses are spread evenly across the twelve month period. He commented that there should be discussion about the budget being created to reflect a more actuary amount through the budget year.

9. PROJECTS / INITIATIVES UPDATE

A. *Electric Division*

No updates

B. *Sewer Division*

No updates

C. *Water Division*

Manager Stevens introduced Doug LaFontaine the Project Manager for the Water Forestry Plan. Doug addressed the Commission and explained that he and his team which includes Ron Bata and Kate Blacker, from Watershed Surveillance and Patrol; along with Manager Stevens, Manager Valentini and Consulting Environmental Engineer Karl Acimovic sought bids at the beginning of the year. Of the bids received, Conwood Forestry was selected to create a 10 year Forestry Plan. Doug introduced Peter Lesmires from Conwood Forestry to present an overview of the Executive Summary that was sent to the Commission in the August package. He explained the plan highlights which include:

- Priority of protecting the water quality
- Protection of soils from erosion
- Protection of the property from trespass or encroachment
- Long term forest management that will help improve the quality of the forest while protecting the reservoirs, streams, and wetlands
- Improvement of access where needed
- Protection from wildfires
- Improvement of wildlife habitat
- Control of invasive growth
- Development of a nursery to produce trees for planting on the watershed

Commissioner Godley inquired if it was possible to have a protected watershed and public access. Peter replied that the possibility is there but there would need to be regulations. Manager Stevens noted that the topic of public access to the watershed was segue for the Avalonia presentation and introduced a member of the Avalonia Board of Directors, Ms. Julie Dupont Woody.

Ms. Dupont Woody explained the concern for acquisition of the Atkinson property, which abuts the Groton Utility Watershed, by a developer who has submitted a plan to the Town of Ledyard which includes a 73 lot subdivision. Avalonia had prepared and received a grant to purchase the Atkinson property as a nature preserve, but is still in need of Ninety Thousand Dollars (\$90,000.00) to make the purchase, and her purpose for coming today it to request financial support from the Utility She explained that the Atkinson property owners have agreed to sell the property to the Conservancy, but Avalonia has been given the deadline of December 31, 2019 to raise the remaining funds. Avalonia offered Groton Utilities the opportunity to donate that amount to secure the natural state of that property, and to ensure protection for the watershed. Any development would significantly and adversely affect the watershed.

She explained that Avalonia has the opportunity to purchase the Atkinson property for the full appraised value of \$875,000.00 for the 180 acre parcel of land. The grant received covers 65% of purchase cost and \$200,000.00 more has been raised in additional grants and donations. Avalonia is also looking at the purchase of the land across the street from the Atkinson property which will cost \$200,000.00 more, but the urgency is to purchase the Atkinson property due to the deadline to raise funds.

She continued to say that there are long established woods roads. There is a lot of activity, and motorized vehicles that access the roads and trails, and there is no one controlling property and the access to the watershed. Avalonia would like to use the GU expertise to provide and promote education about the watershed.

Commissioner Godley indicated there needs to be an agreement in place would like an agreement protecting the use of the property as presented. Groton Utilities Manager Stevens reminded the Commission that Groton Utility would benefit from the partnership in several ways which includes allowance of signage, elimination of recreational motorized vehicles, and an invitation for the Utility to take part in hikes and educational programs which would positively promote the Utility.

Manager Stevens indicated that a budgeted line item as a Capital Account had been requested. Director Gaudet indicated that was not funded. Finance Director Ronald Yuhas said if the Commission decided, the money would come from retained earnings. It would also need approval of City Council. The Commission would like an agreement promising to have the property managed in a certain way. Ms. Dupont Woody offered to have additional meetings scheduled with the Avalonia Board if desired. Commissioner Godley said that the main points that need to be focused on are mechanisms to fund, and an agreement be put in place.

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

10. OLD BUSINESS

A. Customer Service: Rules and Regulations

General Manager Daniels reported there are no changes at this time.

11. NEW BUSINESS

A. 2020 Schedule of meetings

Chairperson Hedrick asked if the meetings for 2020 could be moved to start at 10:30 a.m. due to conflict in his schedule. The intent would be to attempt to shorten the length of this meeting. The Commission agreed.

12. ACTION ITEMS

- A. GUC-WPCA-19-8-31** Consideration of and action to authorize Groton Utilities Management to approve proposed Change Order No. 7 from R. H. White Construction Company, Incorporated, 41 Central Street, Auburn, Massachusetts 01501 for changes in scope as part of the State of Connecticut, Drinking Water State Revolving Fund (DWSRF) Project No. 2013-0140, in the State of Connecticut approved credit amount of Twelve Thousand Ninety Three Dollars and Thirty Three Cents (\$12,093.33), and Mayor Keith Hedrick be authorized to execute Change Order No. 7, and furthermore that the City Council be apprised of this action with the recommendation that it concur

Commissioner Godley moved, Commissioner Duarte seconded that the Groton Utilities Commission/ Water Pollution Control Authority approve Action Item GUC-WPCA 19-8-31.

Manager Valentini explained the change which consists of seven (7) items some were positive, some were negative.

Director Gaudet explained another change order will be presented in the near future. Chairperson Hedrick informed the Commission that there is another issue with PCBs. The issue is being evaluated.

Motion Carried.

- B. GUC-WPCA-19-8-32** Consideration of and Action to authorize Groton Utilities Management to issue a purchase order to Earthlight Technologies, LLC., 92 West Road Ellington, Connecticut, a State preferred contractor, 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 Seventy Seven Thousand Sixty Eight Dollars and Forty Nine Cents (\$77,068.49) to be paid from funds available in the Groton Utilities Regional Greenhouse Gas Initiative (RGGI) Fund, the amount remaining from the Phase I LED Lighting Upgrade Project, and furthermore that the City Council be apprised of this action with the recommendation that it concur

Commissioner Zuliani moved, **Commissioner Godley** seconded that the Groton Utilities Commission/Water Pollution Control Authority approve Action Item GUC-WPCA 19-8-32.

General Manager Mediavilla informed the Commission that this project will totally finish the LED lighting upgrade of the Municipal Building. This will include 115 locations within the building. He reported the project should be completed within a couple of months. He added that completion of this project will allow the Utility to claim kWhs saved to help replenish the RGGI Fund.

Commissioner Godley questioned progress with Electric Charging Stations. Director Gaudet reported that three places had been chosen and priced. This item will be put on the Agenda for the September Groton Utilities / Water Pollution Control Authority Meeting.

Motion carried.

- C. **GUC-WPCA-19-8-33** Consideration of and action to authorize Groton Utilities Management to purchase tree trimming services from Asplundh Tree Expert Co., Post Office Box 827464 Philadelphia, Pennsylvania, a State preferred vendor and the lowest cost bidder of three responding qualified companies; the bid award is for the next three (3) fiscal years, not to run over the budgeted line item amount for tree work in the amount not to exceed Four Hundred Fifty Thousand Three Hundred Sixty Dollars and No Cents (\$450,360.00) for FY2020, and furthermore, that the City Council be apprised of this action with the recommendation that it concur

Commission Godley moved, **Commissioner Duarte** seconded that the Groton Utilities Commission / Water Pollution Control Authority approve Action Item GUC-WPCA 19-8-33.

The Commission was informed that bids had been requested and submitted for tree work. Asplundh Tree Expert Company was the lowest cost bidder of three companies who responded for tree work. They are the State preferred contractor, and they satisfy the safety and insurance requirements of Groton Utilities. This represents costs for one year.

Motion carried.

- D. **GUC-WPCA-19-8-34** Consideration of an action to authorize Groton Utilities Management to exercise three (3), one (1) year renewals for FY 2019-2020, FY 2020-2021 and FY 2021-2022 as described in R-17-7-113 to Borden & Remington 63 Water Street Fall River Massachusetts 02721; Holland Company, Inc., 153 Howland Avenue Adams, Massachusetts, 01220; Carus Corporation 315 Fifth Street Peru, Illinois, 61354; DuBois Chemicals-formerly BHS Specialty Chemicals Inc., 1717 East Fargo Nampa, Idaho, 83687; and Polydyne, Inc., 1 Chemical Plant Road Riceboro, Georgia, 31323, for Sodium hypochlorite, Liquid polyaluminum, Blended phosphate,

Hydrofluosilicic acid and Polymer used at the Water Treatment Plant and the Pollution Abatement Facility, and to purchase Liquid polyaluminum for the Water Treatment Plant from Holland Chemical Company, Inc., 153 Howland Avenue Adams, Massachusetts 01220 in an amount not to exceed Ninety Three Thousand, Five Hundred Dollars and No Cents (\$93,500.00) to be paid from funds available in the Approved FY 2019-2020 and anticipated budgeted amounts in subsequent renewal years of the anticipated Approved FY Water Division Operating and Capital Budgets, and furthermore that the City Council be apprised of this action with the recommendation that it concur

Commissioner Godley moved, **Commissioner Duarte** seconded a motion to approve Action Item GUC-WPCA 19-8-34.

Director Gaudet clarified that this action item authorizes Management to have formal record to be allowed to pick up three, one year renewals to the listed companies for purchase of chemicals as had been suggested in a previous year but not formalized. It also approves a one-time purchase order for the purchase of Liquid polyaluminum.

Motion carried.

13. EXECUTIVE SESSION

- A.** Pursuant to General Statutes section 1-200(6)(E) and 1-201 (b)(5)(A) for a discussion of Key Account Customer Contracts / Negotiations Discussion of Electric Boat Contract

Commissioner Zuliani moved, **Commissioner Duarte** seconded a motion that the Commission enter into Executive Session to include the Commissioners Godley, Zuliani, Duarte and Chairperson Hedrick; General Managers Biron and Mediavilla; Director of Finance Ronald Yuhas; Accounting Manager, Yi Xiang; Utility Analyst Manger, Aaron Brooks; and Utility Director Ronald Gaudet.

The Commission entered into Executive Session at 11:45 a.m. Executive Session ended at 12:00 p.m.

14. ACTION ITEM

- E. GUC-WPCA-19-8-35** Consideration of and action to authorize Groton Utilities Management to approve the First Amendment to the Market Priced Power Supply Agreement between the City of Groton, Department of Utilities and Electric Boat Corporation as presented to the Commission, together with such revisions, clarification and amendments as the Director of Utilities shall deem appropriate, and to execute and deliver the same on behalf of Groton Utilities

Commissioner Duarte moved, **Chairperson Hedrick** seconded that the Groton Utilities Commission / Water Pollution Control Authority approve Action Item GUC-WPCA 19-8-35.

Motion Carried.

15. **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