

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

September 18, 2019 10:00 a.m.
City of Groton Municipal Building
Council Chambers

1. CALL TO ORDER

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

ROLL CALL

Present: Chairperson Mayor Keith Hedrick

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

Staff present: Director of Utilities Ronald A. Gaudet
Executive Administrator, Director of Utilities, Noemi Walencewicz
Executive Administrative Assistant Maureen French
Executive Administrative Assistant Kelsey Haughey
City Finance Director Ronald Yuhas
General Manager-Operations Mark A. Biron
General Manager-Key Accounts Leonard J. Mediavilla
General Manager Information Technology 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
Manager-Communications and Community Outreach Daniel L. Bouges
Utility Analyst Manager Aaron Brooks
Accounting Manager Yi Xiang
Crew Chief, Water Project Management, Mike Weber
Manager-Electric Engineering Brian Roche
Manager-Electric Operations Randall Surprenant
Water Quality Manager – Water Treatment Lab Steve Dietrich

2. APPROVAL OF MINUTES

Commissioner Zuliani moved, **Commissioner Duarte** seconded a motion to approve the minutes of August 21, 2019.

Motion carried with one abstention (Commissioner Scully)

Chairperson Hedrick asked the Commission to make a Motion to suspend rules and move **Action Item # GUC WPCA 19-9-39** to immediately follow the approval of the minutes so Avalonia can be dismissed after their presentation. **Commissioner Scully** moved, **Commissioner Zuliani** seconded

Motion Passed Unanimously

- 3. ACTION ITEM GUC WPCA-19-9-39** Consideration of and action to authorize GU Management enter into agreement with Avalonia Land Conservancy, Inc., PO Box 49, Old Mystic, Connecticut and contribute up to One Hundred Fifty Nine Thousand Nine Hundred Forty Five Dollars and No Cents (\$159,945.00) to support the purchase of the Atkinson Property as presented to the Commission, together with such revisions, clarification and amendments to the agreement as the Director of Utilities shall deem appropriate, and to execute and deliver the same on behalf of City Council be apprised of this action with the recommendation that it concur

Commissioner Scully moved, **Commissioner Duarte** seconded that the Groton Utilities Commission / Water Pollution Control Authority approve Action Item GUC-WPCA-19-9-39.

Motion Carried.

Director Gaudet stated that over the past four weeks Groton Utilities has worked diligently to create the MOU.

Manager Stevens presented a binder to the Commission that was prepared by Watershed Patrol and Surveillance team Ron Bata and Kate Blacker and Manager Valentini. The binder includes the grant application, Memorandum of Understanding (MOU) and a map from 35 years ago that outlines this property that GU has wanted to acquire and protect for years. The map was included to help guide the Commissioners to make decisions for the land for the future. He added that Avalonia will offer organized hikes and passive recreation, and plans to create a partnership for students for scientific study. This will have a positive impact on the community.

Mr. Dennis Main, President of Avalonia Land Conservancy, Inc. introduced his team. In attendance were Ms. Julie DuPont-Woody, Kim Bradley, Stewardship Chair and David Styger, Acquisitions Chair. He reported that there is a great deal of youth involvement in their organization. Ms. Julie DuPont-Woody thanked the Commission for hosting them and expressed appreciation of their time.

Commissioner Duarte questioned why the dollar figure of \$90,000.00 was noted in the minutes but in the current agenda the request is for \$159,945.00. Manager Stevens clarified that the draft budget amount of \$90,000.00 was mentioned to Avalonia but has since clarified the reserve accounts fall under retained earnings. Manager Stevens takes full responsibility for the miscommunication and clarified that \$159,945.00 has always been the need for Avalonia to purchase the Atkinson property. Ms. DuPont-Woody also indicated that the dollar amounts were confusing. She understood there was \$90,000.00 in the budget that she could request, but the total needed for purchase of the Atkinson property was \$159,945.00. She said this was discussed at the August meeting, but not recorded correctly in the minutes. Mr. Main apologized for not being at the August 2019 meeting to assist with budgetary questions.

Mr. Main clarified the purchase details to the Commission and explained there are two properties available for sale; the Atkinson property and the Dirlam property. There are two separate contracts, two different owners. The total price of both parcels is \$1,108,925.00, but Avalonia is requesting the support of Groton Utilities for \$159,945.00 to purchase only the Atkinson property by the deadline of December 31, 2019 to avoid a Seventy-Three (73) unit housing development. Director Gaudet asked Manager Stevens to confirm that both the Atkinson and Dirlam properties are in the GU desired protection plan. Manager Stevens explained that the goal has been for GU to protect these properties

and did look into purchasing in the past, but funding was not available. Chairperson Hedrick reiterated that by authorizing the request, this partnership would allow Groton Utilities to meet its conservation goals and protect its Watershed. Mr. Main stated that the contract for the Dirlam property allows opportunity for purchase until 2021. He is confident Avalonia will close on that property and receive the requested State Grants if Groton Utilities provides the donation of \$159,945.00 for the Atkinson property. Commissioner Duarte questioned what would happen if Avalonia is not able to meet the funding required for the Dirlam property- and how would that affect the Atkinson purchase. Mr. Main said they will have to return monies from the Grant back to the State, Town of Ledyard, and to all other donors; but that the grants have been separated for each property.

Ms. DuPont-Woody wanted to be sure all questions were answered and directed the Commission to the Avalonia website inside the binder. She also offered a tour if requested. Manager Stevens, Mr. Main and Ms. DuPont-Woody will attend the Committee of the Whole (COW) on Monday, September 23, 2019 where this item will be presented to the City Council.

Motion Carried unanimously.

4. REVIEW AND ACCEPTANCE OF TREASURER'S REPORT

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

Motion carried.

5. COMMUNICATIONS AND CORRESPONDENCE

The following correspondence were received:

- A. Email correspondence from Christopher Zendan CIV USN dated September 5, 2019
- B. Email correspondence from Rachel Martin dated August 8, 2019
- C. Email correspondence from Customer Service dated August 28, 2019
- D. Letter of gratitude from PCC
- E. Letter from the State of Connecticut – Water Quality Monitoring Requirement dated August 28, 2019
- F. Letter from the State of Connecticut- Notice of Violation dated September 3, 2019 – Chairperson Hedrick stated that this was self-reported to the Department of Public Health (DPH). As a result of the self-report DPH issued a Notice of Violation. To be clear this was not a violation that the State or DPH gave us of which we were not aware.

6. PUBLIC COMMUNICATIONS

There was no public communication.

7. CMEEC BOARD OF DIRECTOR'S REPORT

Utility Director Gaudet reported that it is CMEEC is in the process of preparing their budget, and the Budget and Finance Committee has been meeting. Public meetings will be held almost weekly for the next month or two. Freedom of Information Act (FOIA) cards were passed out to the Commissioners. There is a notice going out in this month's bills that CMEEC will hold an informational meeting at 2:00 p.m. on October 16, 2019 at CMEEC offices, 30 Stott Avenue, Norwich, Connecticut.

Chairperson Hedrick indicated the Commission is required to have FOIA training, and will determine if that needs to be scheduled.

8. REGIONAL WATER UPDATE

Manager Valentini stated the Water Division has started the last connection with the Southeastern Connecticut Water Authority (SCWA) on Monday, September 16, 2019 of the 600 feet to be replaced approximately 200 feet has been completed.

9. MONTHLY FINANCIAL HIGHLIGHTS

Accounting Manager Xiang presented

- Overall for the month of August, the Revenues from all 3 divisions are over budget and O&M expenses are all below budget due to the time difference between the budget allocation and the actual expense incurred. Also FYTD O&M expenses for 3 divisions are all more than same period of last year mostly due to the increase of the medical insurance and chemical and repairs cost incurred at the beginning of the year for Water and Sewer division.

Electric

- Electric Revenues are 1.5% over budget for the month and 0.9% over budget for the FYTD which is mostly driven by the Industrial Non-Manufacturing Class.
- O&M Expenses are 13% below budget for the month and 17% below budget for the FYTD.
- Net Earnings is \$266K more than budget for the month and \$420K more than budget for the FYTD due to the positive Revenue variance plus positive O&M expenses variance.

Water

- Water Revenues are 12.9% over budget for the month and 3.7% over budget for the FYTD which is mostly driven by the Industrial Class.
- O&M Expenses are 4.7% below budget for the month and 14.4% below budget for the FYTD.
- Net Earnings before DWSRF grant is \$263K more than budget for the month and \$479K more than budget for the FYTD due to over budget Water Revenues, below budget O&M Expenses, and delay of DPH Consent Agreement Projects.

Sewer

- Sewer Revenues are 34.5% over budget for the month and 19.5% over budget for the FYTD which is mostly driven by the Industrial Class.
- O&M Expenses are 17.5% below budget for the month and 27.5% below budget for the FYTD.
- Net Earnings is \$146K more than budget for the month and \$246K more than budget for the FYTD due to positive Revenue variance plus positive O&M expenses variance.

10. PROJECTS / INITIATIVES UPDATE

- A. Electric Charging Stations- Key Accounts – Chairperson Hedrick stated that the presentation is completed but not quite ready to bring to the table for the Commission to give guidance to the Utility.

- B. WTP Construction Update - Utility Director Gaudet handed out an updated tracking sheet of contingencies to the Commissioners and told them they needed to be aware of the series of Change Orders that will be coming through. He introduced Chris Yannoni and Chris Nichols of Stantec who presented on the construction update of the Water Filtration Plant.

This three (3) year project is the largest state funded drinking water project in the history of Connecticut. Stantec was brought in by Groton Utilities to start a pilot study. This included value engineering and application for funding. It was approved by the state and went to bid in 2016. In August 2017, construction started and is now two-thirds complete.

Mr. Yannoni said the project includes an upgrade of the existing 60 year old system in which electrical and mechanical spare parts are obsolete. He added that the clarification and filtration process is innovative (manganese removal) and will meet water purity standards that are not even yet required in the State. In addition, systems installed in the storage tank will allow reduction of Trihalomethanes (THMs).

He explained the stage of construction in detail, and the associated costs. As noted on the tracking sheet, the contingency fund is now at \$818,453.74 compared to the original contingency of \$4,728,330.76 and there is still about a third of the project remaining. There are multiple change orders in the works that will bring the total contingency fund to \$283,747.69. \$1,632,887.91 (7.1%) has been used for PCB change orders (PCBs were uncovered), \$1,030,687.63 (1.4%) has been used for non PCB change orders and \$233,036.33 for engineering amendments. Mr. Yannoni noted that the high contingency dollar amounts are typical for rehab projects versus new builds Chairperson Hedrick's concern is the ordinance does not allow for more spending than authorized. He projected that items that Groton Utilities cannot complete will become budgeted items to be completed later if the contingency is consumed. Chairperson Hedrick asked why PCBs were not taken into account due to the age of the existing WFP and said there will also be costs associated with sampling of the dirt that was excavated from around the building to determine if it is contaminated or if it can be used. Commissioner Godley questioned why PCBs were not uncovered up front in the initial engineering report and now cost over \$5M in engineering fees. Mr. Yannoni explained to the Commission that PCBs are not typical even for the age of the existing WFP. Mystic Air completed a sampling of PCBs at the old plant to ensure the safety of employees. Director Gaudet shared that he learned there is another municipality in Connecticut with PCBs present in their Water Treatment Plant upgrade, and has contacted them and determined that their percent impact to project is higher than ours.

Commissioner Zuliani asked if we have a better understanding of the risk of spending the remaining contingency in order to complete the project. Mr. Yannoni has stated that a lot of the unknowns have been exposed. The risk should be less. Chairperson Hedrick noted there is no wiggle room within the resolution to expend more than \$54M and going out to the freeman is not an option. This is an important topic to be brought up to the Commission and the Council. The public will be informed since the Council meeting is televised.

Mr. Yannoni noted some potential reductions in order to gain more contingency money which include: construction items that can be cut back, engineering items, and O&M manuals provided by the contractor that can be turned over to the Utility without details provided from

each manual by the engineer. Also, GU has \$300K for Project Management and legal cost, and there could be a decision to re-allocate those funds. The contractor and Stantec will work together to identify other areas of cost savings. DPH will accept a letter with our intentions of moving about \$300K of budgeted funds to the contingency fund. Chairperson Hedrick reassured that the project will be completed and this discussion is to get the Commission ready for what is going to pop up next and what will be completed under the budgetary process. There were no other comments from the Commissioners. The Commission thanked Mr. Yannoni and Mr. Nichols for their time and presentation. Utilities Director Gaudet stated the presentation will be sent to the Commissioners and provided in the package for Council.

Manager Valentini continued with updates on Water projects and informed the Commission that crews have finished putting piping down at Central Avenue (Poquonnock Bridge). He said that crews laid about 2,000 feet of pipe this year and the piping plan replacement projects are moving along well. At Long Hill, there is still work on the pump expansion design. Commissioner Scully asked how far the Walker Hill pipe will go to. Manager Valentini stated it is going to the Church and will go all the way down to Rt. 184.

Water

Chairperson Hedrick noted there was an open house type meeting last night (09/17/2019) at the NAVY NLON Subbase regarding PFAs at potential NAVY sites. This is a NAVY wide initiative so it is not a Groton only issue. Chairperson Hedrick noted concern of potentially contaminated sites within our Watershed. There are a few different maps that are conflicting. We have been sampling since January and no PFAs are detectable. If in the future we do detect the PFAs the granular activated carbon would totally remove it and the community at large will be protected. No one getting GU water is at risk. Water Quality Manager Dietrich attended the presentation and learned that the Navy chose to test the New London Base because of its hotspots; airfields, training sites using PFA which put out fuel fires. New London is reaching out to people with private wells. Commissioner Zuliani asked if there is a timetable of the study the NAVY has to complete the project Chairperson Hedrick did not recall a timetable, but will post the slide presentation on both the City website and the GU website to educate the public.

Electric

Manager Roche reported for the month of August the line crew mostly replaced the poles, portion cut outs and installed the re-closer on the Groton Long Point feeder which would save about 500 customers from power outages. The substation crew is getting ready to replace PTs at the Pleasant Valley Substation and taking up 323 line from Pleasant Valley to the Navy Base. Several poles will be replaced on that circuit; this is a bond fund project. Preparations for the 400 breaker replacement at the Buddington Substation; another bond fund project.

Manager Surprenant reported that NERC alerted us about supply chain management regarding certain manufacturers based in China. NERC is asking that we submit data pertaining to how we handle supply chain and NERC compliance items by October 1st. NERC self-assessment is due one year NTE 15 months will probably be completed next month.

Key Accounts

General Manager Mediavilla noted that the LED lighting for the remainder of the Municipal Building will start in October, it has been funded and materials purchased. There have been some substantial rebates.

Manager Bouges noted one new sponsorship (\$3,000.00) supporting the Mystic Schooners (baseball), there will be some good visibility and primary sponsor announcements before every game.

General Manager Biron stated there was an opportunity to enlist our Emergency Preparedness Plan with the pending hurricane. Conference calls were scheduled with staff looking into checklists, pulling out equipment to check for operability and making sure people could put their hands on procedures and equipment and knew what their role was. He indicated it was not a complete drill but key areas have been tested. Chairperson Hedrick noted we are not out of Hurricane season yet and have about two more months.

11. OLD BUSINESS

- A. Presentation- Watershed Protection- Manager Stevens – This agenda item will be moved to next meeting

12. NEW BUSINESS

- A. WTP Change Orders are processing – There will be several Change Orders that probably will be presented at next month's meeting and are identified on the Contingency Spreadsheet.

13. ACTION ITEMS

- A. GUC-WPCA-19-9-36** Consideration of and action to authorize Groton Utilities Management to issue a purchase order to Southern States 30 Georgia Avenue Hampton, Georgia in an amount not to exceed Twenty Two Thousand Six Hundred Eighty Five Dollars and No Cents (\$22,685.00) for repairs to a gas insulated circuit switcher at Buddington Substation as a non – budgeted purchase to be paid from available cash in the Electric Budget and furthermore that the City Council be apprised of this action with the recommendation that it concur

Commissioner Zuliani moved, **Commissioner Scully** second that the Groton Utilities Commission / Water Pollution Control Authority approve Action Item GUC-WPCA-19-9-36.

Manager Roche explained the leak was identified in one of the three stacks after the budget was approved. Gas is crucial inside the switch to ensure proper operation. The stack was taken out of service to repair but at least one time per week there was a low gas alarm.

Motion Carried.

- B. GUC WPCA-19-9-37** Consideration of and action waive the bidding requirement of Policy #1004, Policy and Procedures Governing the Purchase Practices of Groton Utilities, and

authorize Groton Utilities Management to purchase a Data Storage Array, related hardware components, and three (3) years maintenance and support, from Gotham Technology Group, LLC, 5 Paragon Drive, Suite 103, Montvale, NJ, the manufacturer's Value Added Reseller, for an amount not to exceed One Hundred Ninety-Five Thousand Three Hundred Thirty-Five Dollars and Ninety-Two Cents (\$195,335.92), to be paid from funds available in the 2019-2020 IT Department Approved Non-Bonded Capital Projects and that the City Council be apprised of this action with the recommendation that it concur

Commissioner Duarte moved, **Commissioner Zulini** seconded that the Groton Utilities Commission / Water Pollution Control Authority approve Action Item GUC-WPCA-19-9-37.

Commissioner Scully questioned the reason to waive the bidding requirement on an almost \$200,000.00 item. General Manager Blanchette informed the Commission a Data Storage Array is not an off the rack item it is a technology solution that the Information Technology Department has researched for nearly a year. This solution must be compatible with the current system. It was determined that both traditional and hyper converged systems were compatible but with a huge difference in price. Hyper Converged is approximately \$331,000.00 with all possible credits and discounts provided to us, while the price for Traditional is \$195,335.92 honored until October 25, 2019, after that date there will be a \$14,000.00 increase, hence the urgency to bring to the Commission. This is in our budget under non-bonded capital funds for \$206,000.00, based on research prior to budget process.

Motion Carried.

- C. GUC WPCA-19-9-38** Consideration of and action to authorize Groton Utilities management to contribute up to One Hundred Fifty Thousand Dollars (\$150,000.00) to the Neighborhood Assistance Act (NAA) Program in return for matching tax credits, pending approval from the State of Connecticut, and furthermore that the City Council be apprised of this action with the recommendation that it concur

Commissioner Duarte moved, **Commissioner Zuliani** seconded that the Groton Utilities Commission / Water Pollution Control Authority approve Action Item GUC-WPCA-19-9-38.

Utility Director Gaudet identified that the sponsor has been identified from applications that Finance has reviewed and would like to put it through the system in a non-rushed manner, the contribution will be up to One Hundred Fifty Thousand Dollars (\$150,000.00), this will provide a tax credit for Groton Utilities for making cash investments in Department of Revenue Services (DRS) approved community programs.

Motion Carried.

- D. GUC WPCA 19-9-40** Consideration and action to authorize Groton Utilities Management to enter into a two year contract with Univar Solutions 175 Terminal Road Providence, Rhode Island with two (2) one (1) year renewals as recommended as the lowest of bids received, and issue a purchase order not to exceed Forty-Two Thousand One Hundred Forty Seven Dollars and Eighty Four Cents (\$42,147.84) to be paid from funds available in the approved FY 2019-2020 Water Division 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 Scully** seconded that the Groton Utilities Commission / Water Pollution Control Authority approve Action Item GUC-WPCA-19-9-40.

Manager Valentini noted that three bids were received (one was too late) to change the pH control chemical to Caustic Soda Liquid (Sodium Hydroxide) replacing the existing use of Lime (Calcium Hydroxide). We have used Univar Solutions before.

Chairperson Hedrick indicated this action would need to be amended to reflect purchase of Caustic soda (Sodium hydroxide) prior to going to City Council.

Motion Carried.

14. EXECUTIVE SESSION

- A. Pursuant to General Statutes section 1-200(6)(C), 1-210(19)(i) for a discussion of Information, Security and Supply Chain Management Strategy.

The Commission unanimously agreed to enter into Executive Session at 11:57 a.m., to include Commissioners: Duarte, Scully, Godley, Zuliani, Chairperson Hedrick, Director Gaudet, General Managers Biron and Blanchette, and Manager Surprenant. Executive Session ended at 12:16 p.m.

15. ADJOURNMENT

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

Motion Carried.

Attest:

Paul Duarte
Clerk