

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

Minutes of **Special** Meeting
April 10, 2019 10:00 a.m.
City of Groton Municipal Building

1. CALL TO ORDER

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

ROLL CALL

Present: Chairperson Mayor Keith Hedrick

Commissioners: Paul Duarte, George Scully, Robert Zuliani

Absent: Jeff Godley

Staff present:

Director of Utilities Ronald A. Gaudet
Executive Administrative Assistant Maureen French
General Manager-Information Technology Susan G. Blanchette
General Manager-Key Accounts Leonard J. Mediavilla
General Manager-Customer Service Tina M. Daniels
Manager-Engineering Brian J. Roche
Manager-Water Division Rick M. Stevens
Accounting Manager Yi Xiang
Director Finance Ronald Yuhas
Office Manager, Bozrah Light and Power Ruth Ellen Ouimet

1. NEW BUSINESS

- A. Introduction and summary of the Proposed FY 2019 2020 Budgets - Accounting Manager Yi Xiang gave a summary introduction prior to presentation by each Department Manager.

Director Gaudet indicated that Utility Finance and Administration will utilize USFs to work on creating a policy with guidelines for cash on hand; the policy can be used as a guide to add projects or offset rates. Finance Manager Yuhas explained labor budget increase across the board is due to higher cost in benefits for pension and health insurance.

- B. Review of the Draft Proposed FY 2020 Groton Utilities Budgeted Positions-Director Gaudet explained the Position Chart to the Commission highlighting there is only one increase for the proposed FY 2020 budget which is the opening of a custodian position, and an explanation of the Labor Unions across the Utility was given. Open positions include two Administrative Assistants, one Public Relations Specialist, one Utility Accounting Specialist, one position in the lab, one Project Manager in Water, one position in the Meter Department, one position in Distribution, one Custodian (this employee reports to the City of Groton Public Works Department), one SCADA Engineer, one Electrical Engineer, and one Environmental Engineer. Director Gaudet informed the Commission that a General Manager of Operations will be starting on April 22, 2019, and there is a budget place holder for a General Manger of Projects and Planning.

Commissioner Scully inquired about the open positions for engineers. Director Gaudet indicated filling these positions will be the task of the new General Manager. **Commissioner Zuliani** questioned if all open positions are budgeted, and Director Gaudet informed that all open positions are budgeted.

Director Gaudet spoke of the current Groton Utilities Staff and estimates that thirty percent (30%) of employees will reach retirement eligibility within five years. Mayor Hedrick responded that knowledge needs to be documented and procedures and protocols need to be available for new staff to reference.

C. General Manager Blanchette presented the Informational Technology Proposed Expense Budget and Non –Bonded Capital Projects for 2019-2020.

1. Payroll Expense in IT is increased by 2.87%, or \$25,900 overall, compared to last year’s budget due to standard increases for non-union employees combined with anticipated Merit and Professional Development Plan milestone increases.
2. IT Headcount remains at nine (9) total employees, all full time, with four (4) in IT Support, four (4) in IT Operations, and one (1) General Manager.
3. Non-labor IT expense is increased by 26.95%, or \$242,200 overall compared to last year’s budget. Major contributors to this increase were explained.
4. The total proposed IT budget of \$2,070,000 is distributed to Electric, Water and Sewer Funds using the standard 60%, 30%, 10% allocation.
5. The User Count/Department-Specific distribution of the proposed IT expense budget across business units is as follows:

a. City of Groton	\$918,925
b. Groton Utilities	\$1,122,056
c. Bozrah Light and Power	\$29,019
6. Total Proposed NMCP- 65 K The User Count/ Department Specific distribution of the proposed IT Non Bonded Capital Projects across the business units is as follows:

a. City of Groton	\$268,248
b. Groton Utilities	\$380,439
c. Bozrah Light and Power	\$5313
7. New Projects –

a. Host servers	\$68K
b. Storage Array	\$206K
c. Network Security Enhancement	\$65K

- 8. Carry Over Projects
 - a. HVAC in Ops Data Center \$40K
 - b. HVAC in IT Bullpen - \$35K
 - c. GCPD-DC- \$100K
 - d. Document Management System Phase 2 (GU) \$75K
 - e. Renovations to office space \$65K

D. General Manager Daniels Presented the Proposed Expense Budget for FY 2019-2020

- 1. Customer Service payroll expense has increased by 2.0% or \$19,400.0 overall, compared to last year's budget due to standard increases for union employees combined with proposed performance base step increases.

Customer Service Department generates revenue by providing third party Customer Service and Billing services to Ledyard WPCA and Bozrah Light and Power. The payroll expense decrease is ---6.0%, or \$56,475 overall before 50% loaded.

- 2. Customer Service Headcount remains at fourteen (14) total employees, three (3) Reading Meter Technicians, seven (7) Billing/Customer Service Representatives, two (2) Leads, one (1) Billing Manager and one (1) General Manager.

- 3. Non-labor Customer Service expense is increased by 15.0%, or \$118.600 overall compared to last year's budget. Major contributors to this increase include:

- a. 4200-Meter Reading – Other, Software Maintenance (AMI / Neptune) – increase of 50% (\$25K)
- b. 4400-Billing – Other, upgrade to Customer Connect 6.0 (On-line portal) and increase in web / phone pay – increase of 18% (\$67K)
- c. 4400-Training – Software upgrade training / Meter Reading Technician Training – increase 40% (\$10K)
- d. 4400-Furniture, reorganizing Billing Department to accommodate four (4) representatives, an increase 53% (\$10K)

- 4. Customer Service Proposed Non-Bonded Capital Projects 2019 – 2020- New Customer Service Layout Total Proposed - \$150K

- a. Office Furniture \$117K
- b. Carpeting \$15K
- c. Asbestos Removal \$ 18K

E. Manager Roche Presented the Proposed Electric Expense Budget and Proposed Capital Projects for FY 2019-2020.

- 1. The Electric Division expense is increased by 6.5%, overall, compared to last year's budget due to standard increases of (3%) for union and non-union employees combined with anticipated step increases. The number of employees is (37) total employees, all full time, with four (16) Linemen, (6) Substation Electricians, (5) Project Managers, (2) Meter Techs, (1) Test person, (1) Electrician, (2) Stockpersons, (2) Managers (1) General Manager, and (1) Administrative Assistant.

2. The Electric Division has determined and justified the need for additional staff that is in the budget and has not yet been filled due to other positions in the Utility and City taking priority. These positions are to include the following: Electrical Engineer, SCADA Engineer, and Administrative Assistant. The General Manager of Operations Electric/Water will be fifty percent (50%) funded by the Electric Division.
 Non-labor budgeted expense is increased by 6.0%, or approximately \$108 K overall compared to last year’s budget. Major contributors to this increase include:
 - a. Anticipated NERC Compliance full audit in 2020 (\$77K)
 - b. Substation breaker maintenance testing (\$19K), relay testing (22K), power transformer maintenance/testing (\$11.6K) and battery load testing (\$9.0K)
 - c. Underground maintenance and testing of the 308 line also contributed to the increase of (\$18K)
 - c. Overhead Conductors and Devices- increased due to anticipated tree trimming and flagger service price increases (20.5K) and 300/305 right of way tree clearing(\$78K)

3. Highlights of Proposed Capital Projects for FY 2019-2020 include:

a. Buddington Substation Transmission Fiber Installation – PTF	\$301K
b. SCADA-RTU (remote terminal units)- Upgrade	\$81K
c. New AMI Commercial / Industrial meter installs	\$100K
d. Wyman Gordon Substation meter installs	\$98K
e. Midway Oval Substation upgrade	\$91K
f. Various Substation IED replacements	\$50K
g. Eastern Point Substation Transfer Trip	\$40K

4. Highlights of Carry Over Projects

a. SCADA Software / Hardware upgrade project	\$75K
b. SCADA Network / Hardware replacement	\$35K

5. Approved Bond Fund Projects

a. Pleasant Valley Substation transformer replacement	\$1.9 M
b. Pole replacements	\$371 K
c. Buddington Substation – 400 breaker replacements	\$64K
d. Traffic light upgrades	\$ 439K

Commissioner Zuliani inquired how work / projects are prioritized. Manager Roche reported that the outage reports drive the priority list. He added that contracts for service to keep the trees trimmed have had a very positive impact in minimizing outages.

- F. General Manager Mediavilla presented the proposed budget for FY 2019-2020.
 1. There are a total of four Key Account Professionals. Their time and expenses are allocated to three (3) general ledger account numbers:
 - a. 005-4000 – Customer Care Administration (Divided 60/30/10 percentage across Electric, Water, Sewer)
 - b. 005-4300 - Customer Care Economic Development (Divided 50/50 between Electric and t
 - c. 005-4900 – Customer Care Conservation Services
 1. Revenue neutral account devoted to Electric Conservation expenditures.
 2. It is funded via customer Conservation and Load Management tariff charges.

3. These Conservation and Load Management expenditures also provide compensation to both REGGI and REFFI Accounts. Both these accounts offset the additional GU expenses.
 4. GL 4900 offsets significant payroll expenses in 4000, proportional to the employees' time involved with electric conservation responsibilities.
 - d. The combined three GL payroll expense accounts are flat in this proposed budget which yields zero percent (0%).
3. Budget Increases include:
- a. A request for a Customer Survey and 50% for a City Marketing Study increased in the 4300 GL to \$25K and \$15K, respectively.
 - b. An additional transfer, to 4000 this year, from the Customer Service department's budget for +\$40K XYLEM Inc. Sensus Metering and +\$18K for the Harris Smartworks MDM software licenses and upgrades escalated the overall requested budget.
4. The Key Account Department's total 2019-2020 FY account change equaled + \$69,662. which yields the +four percent (4%) budget increase.
- G. Manager Stevens presented the proposed FY 2019-2020 Water Budget. He informed the Commission that the Water Department employs 42 workers and that 2 billion gallons of water are pumped and treated annually.
1. Projects included in this year's budget as a change from FY2018-2019 to FY 2019-2020 include:
 - a. Resiliency planning has been considered in this budget and \$25k is dedicated to phase 1
 - b. Regulatory requirement of leak detection of the water distribution system needs to be done every 5-7 yrs. is planned for FY 2020- estimated funds required \$15K
 - c. Project Management will continue work on the Hydraulic Model which is linked to water quality and regional sales will be continued- estimation of \$17K
 - d. The Water Department will be cleaning up residual sludge from the Poheganut Site- estimation of \$40K
 - e. New contract for forestry in FY 2019-2020 Phase I implementation- estimation of \$40 K
 2. Non Bonded Projects
 - a. Additional section of the Distribution Water Mains to be replaced in the Midway Oval service area. The replacement is based on plotted water main break reports.
 - b. Finishing remaining interconnections between Ledyard and SCAWA
 - c. Vehicles – forecast three (3) for replacement- \$90K
 - d. New electric service at the new plant which will be a payment to Electric \$79K
 3. Items Cut from proposed FY 2019-2020 Budget include:
 - a. Chemicals \$50K
 - b. Purification \$50K
 - c. Pump Repair \$50K

Commissioner Duarte asked what is driving the increase for the non-labor items. Manager Stevens reviewed the above listed projects and explained how they each contribute to the increase.

Finance Director Yuhas reminded the Commission of the impact of the administrative increase. The operation and management costs only increase non labor by one percent (1%).

4. Bonded Projects include
 - a. WTP (completely funded through the State of CT SRF Program)
 - b. Long Hill new pump station plan to finish in 2020
 - c. Meter service AMI program to be continued

H. Manager Stevens presented the proposed FY 2019-2020 Sewer Budget

1. Strategy to Facility Plan, Assess Management Plan, and Application Process for the following projects to put request for funding from the Clean Water Fund Program (projects are currently on hold):
 - a. a primary pump
 - b. mixing pump
 - c. polymer feed pump
 - d. roof replacements
 - e. sodium hypochlorite system

He added that there has been no change in 6 employees. An ordinary repair account has been in place for the PAF, and a new account has been developed for ordinary repairs at the nine (9) pump stations for maintenance.

2.. ADJOURNMENT

There being no further business, at 1:48 p.m., **Commissioner Duarte** moved, **Commissioner Zuliani** seconded a motion to adjourn.

Motion carried.

Attest:

Paul Duarte
Clerk