

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

May 15, 2019 10:00 AM  
**City of Groton Municipal Building**

**1. CALL TO ORDER**

Chairperson Hedrick called the meeting to order at 10:14 a.m.

**ROLL CALL**

**Present:** Chairperson Mayor Keith Hedrick

**Commissioners:** Paul Duarte, George Scully, Robert Zuliani,  
**Absent:** Jeff Godley

Director of Utilities Ron Gaudet  
Executive Administrative Assistant Maureen French  
General Manger Operations Mark Biron  
General Manager-Information Technology Susan G. Blanchette  
General Manager-Key Accounts Leonard J. Mediavilla  
General Manager-Customer Service Tina M. Daniels  
Manager-Electric Operations Randall Surprenant  
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  
Executive Administrator Jill Rusk

**2. APPROVAL OF MINUTES**

**Commissioner Scully** moved, **Commissioner Zuliani** seconded a motion to approve the minutes of the Regular Meeting of April 17, 2019

**3. REVIEW AND ACCEPTANCE OF TREASURE'S REPORT**

The Treasure's Report for April was not available. Mayor Hedrick initiated discussion of the necessity of the Treasure's Report in relation to this meeting. It was decided that the Treasure's Report is a useful report and will remain as an Agenda item going forward.

**4. COMMUNICATIONS AND CORRESPONDENCE**

- Card of thanks from Filip Aubrecht for support of the Journeys - Foreigner Concert  
Mayor Hedrick indicated he was not familiar with support made to this event, and suggested that there be communication to the Utility Commission prior to such donations being made. Director Gaudet offered a separate section of the Director's Report for Community Support so the Commission is aware ahead of time.
- April 9 Letter from State of CT DEEP Notice of Proposed Value of Nitrogen Credit for 2018
- Email received on May 5 from Mike Holmes of Woodland Drive East, Groton

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. This section of the package was estimated to be fifty (50) pages. In an effort to simplify and streamline, the minutes will be sent to the Commission as they are received.

- At the Board of Director's Meeting the Charter of the Comp Committee was approved. The Charter of the Governance Committee is expected to be approved next month.
- The Governance Committee decided and The Board approved a policy of not giving to charities. CMEEC will not be distributing donations.
- A list of recommendations was developed and sub committees will be looking at all the recommendations. There is a \$3.7m settlement for the Wallingford Arbitration. This was \$1m more than anticipated.
- Mayor Hedrick clarified that the initial settlement was proposed at more than \$18m and that the \$3.7m settlement could have been worse.
- Next week a meeting will be scheduled to distribute they excess equity for last year.
- Mayor Hedrick included that on May 9, Drew Rankin was terminated as CEO from CMEEC. His contract will allow arbitration.
- There is still a Bill that exists with a change that reduces some funding, but CMEEC would be subject to annual audit and subject to a forensic exam. All finding would be required to be implemented.

7. **REGIONAL WATER UPDATE**

Manager Valentini updated the Commission on the progress with the Ledyard Cross Connects. Chriswood Trace is now connected to SCWA

Mayor Hedrick informed the Commission that on Monday May 13, 2019, the Water Dept. received the 2019 DPH Certified Operator Public Health Drinking Water Merit Award given for exemplifying exceptional work practices on the job and contributions to the public health and safety of drinking water. Lori Mathieu from DPH came with five of her staff members. The State is using Groton Utilities as a model. This is a tremendous honor.

**Commissioner Zuliani** added that the presentation was gushing of professionalism, teamwork, day to day operations. The staff was full of pride. He indicated he was very happy to witness this event.

8. **MONTHLY FINANCIAL HIGHLIGHTS**

*Electric*

Overall Total Electric Revenues for April are 2.9% (\$111k) over the budget, and 1.9% (\$74k) more than April of last year. Revenues from the one Industrial Non-Manufacturing customer are 31.4% more than budget and more than offset Revenues from the Residential Class which is 2.9% less than budget and the Commercial Class which is 5.3% less than budget. The FYTD Total Electric Revenues are 2% more than the budget and 2.8% more than last FYTD.

This April is overall warmer than April of last year. Heating Degree Day requirements are 24% less than April of last year.

O&M Expenses for the month are 14.8% less than budget, the FYTD O&M Expenses were 9.8% (\$867k) less than budget.

The Net Income from Operation for the month is \$261 over budget and Net Performance after the effects of TVC is \$71 below budget.

The FYTD Net Income from Operation is 0.8% or \$32K more than budget and the YTD Net Performance after the effects of TVC is 0.8% or \$29K more than budget.

Days' cash on hand for the electric Division is 120 days.

Power purchased from solar customers shown on the Statistic Schedule Page 4, 307k kWh was purchased from solar customer production for the month which is almost 3.8% more than last April and Page 5 reports almost 2 million kWh was purchased from solar customer production for FYTD which is 2.6% 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 \$1.3M 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 264 days.

The combined Electric and Water and Sewer Utility days cash on hand is 143 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 \$27 million has been incurred for the project and a total of almost \$25 million has been received from the Drinking Water State Revolving Fund (DWSRF) loan and grant.

#### *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 total Cash balance of the Sewer Division at April 30, 2019 is \$1.4 million.

Total Sewer Revenues for April are 15.5% or \$66K below budget. The negative variance is mostly driven by the Commercial and Industrial Class. In April 2019, 9% of metered water usage was deducted from the one industrial customer.

For the FYTD Sewer Revenues are 13.4% or \$550K 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-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 April 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.*

Operation and Maintenance expense for the month of April is 23% or \$48K below budget. As a result, Net Income from Operations for April is 10.6% or \$16K less than budget.

Operation and Maintenance expense for FYTD is 13.7% or \$284K 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% or \$252k 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 UPDATES**

### *Sewer*

Manager Valentini reported on the following:

- WTP- Great progress is being made. The last wall is almost done and it looks like a building. Saturators Air tubers and troughs are all going in and the progress is impressive.
- PCBs- All questions asked by the State have been answered. They are requesting more testing of the soil. \$1.7m was authorized for abatement, we have spent \$800,000 of the existing PCB Change Order.

Director Gaudet added we have requested evaluations of the PCB Plan from Mystic Air and we expect to have water moving in 12-13 months. The progress must continue in anticipation that the plan will be approved. Mayor Hedrick indicated that we are moving forward with a plan in that manner. He added there is \$4m in contingency money, and repeated that this project must be managed. We are at 60% of the contingency spend and about 60% of the project time. The Utility Commission will be apprised any changes.

### *Water*

- Long Hill Station – Crews are working on installing a new pump and generator.
- Walker Hill – the old tank has been removed. The design of the pump station and new tank is under way and am in the process of testing the mixing tank.
- Avalonia- Manager Stevens reported they have been contacted by Avalonia Land Conservancy regarding the portion of the Atkinson property. They would like to meet to determine what Groton Utilities would desire of that land. Manager Stevens asked for permission for management to meet with Avalonia and will report to the Commission, and the Commission agreed.

### *Electric*

Manager Surprenant reported on the following:

- The Capacitor Bank on Route 12 needed replacement and the pole needed to be condemned.
- Work was being done on Toll Gate Road and crews encountered an issue with a historic tree. There needed to be a redesign around the tree.
- Ella Grasso- Crew will transfer the old transformer to a new one.
- Tree trimming is nearing 100% completion of a three year plan. Manager Surprenant and Manager Roche are working on a bid package to continue.

- Radios- The new system was in the FY 19 Budget, and is close to completion. There are twenty two (22) hand held units and 16 blue tooth devices. Training will occur on May 21<sup>st</sup> and May 22<sup>nd</sup>. This system is digital and differs in that the old system was low band/ high band. The new system is designed so that all areas can talk to each other. There is a committee working on designating channels (Water will have a channel, Electric will have a channel, and Bozrah will have a channel). All employees can join on one channel if needed.

Mayor Hedrick asked about progress with LED lights and asked if they would be finished this FY. Manager Surprenant confirmed they will be completed.

#### 10. **OLD BUSINESS**

CMEEC Director Appointments- There are two Primary Member Representatives and one Alternate Member Representative serving CMEEC in Groton. There are two Primary Member Representatives in Bozrah. It is highly recommended there be an Alternate in Bozrah. The Mayor will prompt the Commission to make a decision and will speak to the Bozrah First Selectman because there has been no Rate Payer since November of 2017. Bozrah needs a Rate Payer Representative.

#### 11. **NEW BUSINESS- DISCUSSION**

- Rules and Regulations- As indicated in the City Charter, Rules and Regulations for Electric, Gas and Water Service require review and update annually. General Manager Daniels indicated she is working on updates and revisions will be brought before the Commission for approval. Pura will be removed from the Rules and Regulations because Pura does not regulate the Municipal Utilities; the Utilities Commission does.
- The Schedule of charges will also have changes. Fees have not been increased in a very long time. The Application Fee for new customers will increase from \$15 to \$25 for new customers. The charge for Non-sufficient Funds for returned checks will increase from \$20 to \$30. General Manager Daniels indicated these charges will also affect Bozrah Light and Power.
- Manager Surprenant indicated the ACS SCADA system is due for upgrade. The plan for the system began in 2009 and was installed in 2012. ACS is a sole source provider and he would like this to be managed within the Utility using the expertise of the IT Department. The total rebuild will be a charge of \$150,000 to Groton and \$75,000 to Bozrah. This is budgeted in the current FY budget under Non Bonded Capital expense, with some reserve expected to hit the FY 2020 budget. **Commissioner Zuliani** questioned the expected life of the system and Manager Surprenant indicated the estimate would be 5-7 years. He added that response times have increased considerably with the system and there will be a need for new process and policies as the Utility Department is looking to hire staff to support ACS program management in house. Mayor Hedrick indicated that now that the position of General Manager of Water and Electric is filled, the plan is to fill the open Engineer positions with desired qualifications to move the Utility forward.
- Director Gaudet reminded the Commission that there are Purchase Orders that will be due for annual renewal with the FY Budget. Utility Managers are compiling a list and several will be brought before the Commission next month.

## 12. Action Items

- A. **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** motioned, **Commissioner Scully** seconded

This Action Item was postponed from the April 17, 2019 meeting. At that time, Mayor Hedrick asked for specifications regarding budgeted and non-budgeted items. Two proposals were presented before the Commission as options so the Commission could choose which way they would like it to read. Option One was sent to the Commission along with the meeting package, this was the result of the discussion at the April meeting. Option Two was passed out to the Commission at the beginning of the meeting. Finance Manger Ronald Yuhás addressed the Commission to explain the difference in the two proposals. He explained that there is detail that makes up a pool of money and the detail is very specific. Items can be assigned to a budget line item if the item in question satisfies the purpose of the budget line. Option Two further clarified the ability for the General Manager and the Director to decide if the item is a budgeted item. Mayor Hedrick indicated that it is important for the Commission to know exactly what the Utility is doing to provide oversight.

**Commissioner Zuliani** indicated he would like to see the \$10,000 approval limit increased in the future. He added the Utility should have their freedom to make decisions on a day to day basis. General Manager Biron indicated that he interpreted Option One as more restrictive regarding the ability to serve the Groton Utilities' customers as quickly as possible. The Commission reviewed the wording of both proposals and selected the wording of Option Two. Finance Manager Yuhás stressed that the discussion and clarification of budgeted items pertained only budget lines in the O&M Budget, and no change could be made projects listed in the Capital Budget.

**Commissioner Duarte** initiated discussion on how Option Two would be accepted because it was a modification of what was sent to the Commission. A decision was made to have a separate motion to approve the wording.

A motion was needed to include Option Two for consideration.

**Commissioner Duarte** made a motion to accept Option Two to amend Policy 1004: Policy and Procedures Governing the Purchasing Practices of Groton Utilities **Commissioner Zuliani** seconded

**Motion carried.**

Mayor Hedrick asked for a motion for Consideration and action to approve Revisions to Policy # 1004: Policy and Procedures Governing the Purchasing Practices of Groton Utilities, as amended, and furthermore, that the City Council be apprised of this action with the recommendation that it concur

**Commissioner Zuliani** moved, **Commissioner Duarte** seconded

**Motion carried unanimously.**

- B. GUC-WPCA 19-5-25:** Consideration and action to authorize Groton Utilities management to approve proposed Change Order No. 6 from R. H. White Construction Company, Incorporated, 41 Central Street, Auburn, Massachusetts for changes in scope as part of the State of Connecticut, Drinking Water State Revolving Fund (DWSRF) Project No. 2013-0140, in an amount not to exceed Thirty Four Thousand, Four Hundred Nineteen Dollars and Thirty Seven Cents (\$34,419.37), and Mayor Keith Hedrick be authorized to execute Change Order No.6, and that the City Council be apprised of this action with the recommendation that it concur

**Commissioner Duarte** motioned, **Commissioner Zuliani** seconded

Manager Valentini explained changes that included fourteen items; some increases due to changes during construction, and others are deducts because of savings that were found. RH White gave it to Stantec. A meeting was held with Stantec and Groton Utilities to negotiate; the proposed change was sent to the State and the State approved. The next step is to come before the Commission. Manager Valentini indicated the approval process takes about two months.

**Motion carried unanimously.**

**13. Possible Executive Session**

There was no Executive Session.

**14. Training**

- A. Training:** Operations Manager –Manager Stevens presented an explanation of the multiple steps in Nitrification /Denitrification, to help understand the Nitrogen Credit that will be awarded to Groton Utilities. (Diagram attached).

**15. Adjournment**

There being no further business, at 12:03 p.m., **Commissioner Duarte** moved, **Commissioner Scully** seconded a motion to adjourn. **Motion carried.**

Attest:

Paul Duarte  
Clerk

# MULTIPLE STEPS IN NITRIFICATION / DENITRIFICATION

