

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

November 16, 2022 10:30 a.m.
Council Chambers

1. CALL TO ORDER

Chairperson Hedrick called the meeting to order at 10:33 a.m.

ROLL CALL

Present: Chairperson Mayor Keith Hedrick

Commissioners: Jeffrey Godley, George Mathanool, George Scully and Robert Zuliani

Staff present: Director of Utilities, Ronald A. Gaudet
Executive Administrative Assistant, Maureen French
General Manager Operations, Mark A. Biron
General Manager Projects & Planning, Bruce Kruszewski
General Manager Information Technology Sue Blanchette
General Manager Customer Service, Tina Daniels
Project Management Professional, Joshua Rehrig
Water Foreman, Mauricio Duarte
Finance Director, Ron Yuhas
Controller, Yi Xiang
Manager Utility Analytics, Joshua Bringhurst

2. SAFETY MOMENT

General Manager Biron relayed a safety message regarding home and holidays. With the holidays approaching, Thanksgiving is a wonder time to gather with family and friends, and it is always important to keep safety in mind. He said fires (cooking, candles, and deep fryers) food (choking, poisoning), and travel are the three top safety hazards; and Thanksgiving is the number one day of the year for cooking fires, according to State Farm Insurance. The US Fire Department confirms that more than 4,000 fires occur on Thanksgiving Day and turkey fryers are responsible for five deaths a year. Food safety reports that 51 million turkeys are consumed on Thanksgiving and incidents of food poisoning and choking increase. He said given the increase of holiday travel it is important to have an emergency kit in the car, remember to buckle up, and have your vehicle well maintained. He summarized safety with a reminder to use safe food handling practices. Additionally, keep watch on children around the kitchen, and keep baking soda on hand to put out any kitchen fires.

3. APPROVAL OF MINUTES

Commissioner Godley moved, **Commissioner Scully** seconded a motion to approve the minutes of the Regular Meeting as amended on October 19, 2022.

Motion carried.

4. 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 October 2022.

Motion carried.

5. COMMUNICATIONS AND CORRESPONDENCE

- A. Thank you from United Way
- B. Thank you from Hope in Focus
- C. Customer Appreciation from Mark Scepaniski, 62 Pegasus Dr., Groton
- D. The Commission acknowledged receipt of the email from Sam Spano, 11-15-2022.

6. PUBLIC COMMUNICATIONS

Mr. Tom Olsen, 188 Crosswinds Drive, Vice President of Tri Town Trails, indicated that there was a hike scheduled for this past Saturday, but it was canceled due to weather. He said he is eager to learn the results of the consultant's work and is looking forward to the report in December. He was asked if the hike has been rescheduled, and he said that would be done by Ledyard Parks and Recreation.

7. MONTHLY FINANCIAL HIGHLIGHTS

Controller Xiang reviewed October 2022 Financial Highlights:

Electric

October Electric revenue of \$4.2M is 5.8% or \$227K more than budget and 12.7% more than last October. The positive variance is driven by industrial sales which exceeds the budget 16.4%.

Fiscal Year to Date (FYTD) Electric Revenue of \$19.4M is 7.5% or \$1.4M more than budget and 17.6% more than last FYTD. The positive variance is driven by residential sales and industrial sales which exceeds the budget by 3.7% and 18.9% respectively.

Heating degree days are 28% more than last October and 23% more than last FYTD. Cooling degree days are 167% more than last October and 42% more than last FYTD.

Operations and Maintenance (O&M) expenses for October are 18.6% below the budget and net income for the month is \$144K more than budget. The favorable variance of net income is driven by below budget O&M expenses.

O&M expenses for FYTD are 11.7% below the budget and net income is \$561K more than the budget. The favorable variance of net income is driven by below budget O&M expenses plus the reimbursement of RGGI project funds.

Total \$67K was billed to the customers for conservation charges and \$58K was spent for conservation rebates and related expenses for the month. As of 10/31/22, \$2.4M remaining funds are available in the conservation account.

*The current CLM Rate of \$0.0025 per KWh has not changed since January 1, 2011.

Commissioner Zuliani asked for clarification on the O&M expense, and why it was under this month but over for the year. Controller Xiang explained that because more labor has been allocated to the capital job of the Transmission Project it has caused expense to be below the budget; and also the IT cost is below the budget because a planned project has not been yet completed, but will be. She said legal costs have also been budgeted but expenses have not been incurred.

Water

October Water revenue of \$921K is 5.3% or \$52K over the budget and 5.2% less than last October. The negative variance is driven by industrial sales and sales for resales which is below the budget by 6.4% and 20.7% respectively.

FYTD Water revenue of \$4.4M is 3% or \$128K over the budget and 8.5% more than last FYTD. The positive variance is driven by the sales from all classes.

Operation & Maintenance Expenses for October are 6.4% below the budget and net income for the month is \$14K below the budget. The unfavorable variance of net income is driven by below budget revenue offset by the below budget O&M expenses.

Commissioner Zuliani asked for explanation of depreciation. Controller Xiang explained that depreciation was calculated on the total cost of the Water Treatment Plant, but the actual depreciation varies depending on equipment. Some things that were budgeted for depreciation will not actually

depreciate for fifty years so the budgeted depreciation amount is off, but will be corrected in the upcoming year.

Sewer

October Sewer revenue of \$255K is 17.2% or \$53K below the budget and 23% less than last October. The negative variance is driven by industrial sales which is 32.1% below the budget.

FYTD Sewer revenue of \$1.3M is 7.2% or \$98K below the budget and 3.6% more than last FYTD. The negative variance is driven by industrial sales which is 14.4% below the budget.

Operation and Maintenance Expenses for October are 11.9% below the budget and net income is \$19K below the budget. The unfavorable variance of net income is driven by below budget revenues offset by below budget O&M expenses.

8. PROJECTS / INITIATIVES UPDATE

A. Projects Update

Transmission –

Project Manager Rehrig updated the Commission on work being done on the Transmission Project. He reminded them that they were told last month that the 400 Line would be completed by the November meeting, but said there was an issue that caused a four day delay, and the work is expected to now be completed by November 28th.

Chairperson Hedrick addressed the Commission and said he was pleased that some of them have visited the work site, and noted that the project is overall ahead of schedule.

Buddington Substation –

Project Manager Rehrig said that there are four foundations left to pour. The cables are in and the work related to the Action Item that was approved last month for Phasor to move the transformer will happen after Thanksgiving.

WWTF Facilities Plan Final Report –

Director Gaudet reported that there was a presentation by Wight Pierce which included a Public Hearing. The draft report was submitted to DPH and was approved. The Utility can now apply for a grant which will cover up to 55% of the cost of the study. The final version of the report will be posted on the website. He added that this is the first grant that the Wastewater Treatment Facility has been able to apply for since being moved out of the City tax base and into the Utility. Chairperson Hedrick relayed the information to the Commission that last night, P&Z approved the plan for HVAC upgrades on the Main Collection Building. Director Gaudet said this system does have odor mitigating components, and told the Commission that they can expect an action item once bids are received. Commissioner Zuliani asked for an expected completion date for the project, and General Manager Kruszewski said he estimates by the middle of 2024.

9. OLD BUSINESS

A. Tri Town Trails Association

Director Gaudet reported that the draft report is being completed by Scott Bighinatti, CFM of Weston & Sampson. Mr. Bighinatti is waiting for final comments from Tri Town Trails. It is expected that the Commission will receive the report at least two weeks prior to Mr. Bighinatti's Power Point Presentation that will be given in the December meeting. Chairperson Hedrick stressed that there would be no action regarding this in December.

Chairperson Hedrick asked if the Commissioners had set up a tour of the Watershed that was offered by the Utility. He said he and Commissioner Godley attended a recent tour. Commissioner Godley said the staff was extremely knowledgeable and the experience will help the Commission to make an informed decision. Commissioner Zuliani confirmed that he has replied that he will be attending on Friday.

10. NEW BUSINESS

A. Marc DiBella, from Medici, LLC– Legislative Update

Mr. DiBella addressed the Commission and updated them on the recent election results for the state. He said for the House of Representatives, there are 97 Democrats and 53 Republicans in office with one seat being recounted. In the Senate there is a majority on the Democratic side of 24/12 for the next two years. He said the 2023 session year will be a long session, as it is a budget year. He said are no major updates, but assured the Commission he will keep his eye open on the Utility's behalf. He spoke of an environmental bill that originated in the senate that targeted the Governor's bill from 2021 on the Data Centers regarding limitation of peak generation. He said that bill has not gone anywhere, but it is always possible it could be reintroduced. Chairperson Hedrick stated that he submitted testimony against the bill because it would negatively impact the Utility's Industrial Customers.

Commissioner Zuliani asked Mr. DiBella if he represents CMEEC, and he said that he does not, but further explained that CMEEC and other local MEUs often have the same legislative objectives so it is often the case that delegation is worked as a team.

Commissioner Mathanool asked if Mr. DiBella had any updates or if he would receive information back about when the states would be receiving money from the Federal Funding Infrastructure Act or the Inflation Reduction Act. He explained that his jurisdiction is in Connecticut, and that he does not work on the Federal level. Commissioner Godley said there was extensive conversation at a recent CMEEC meeting on this topic and that there is a contact in Washington the Utility has the ability to work with that person to receive grants.

Commissioner Godley asked if there is a format for the Commission to meet with local legislators to ensure they are aware of the Utility interests. Mr. DiBella said it is his job communicate so that budgetary items are addressed and the initiative is made to have items beneficial to the Utility passed. Chairperson Hedrick said he has invited the newly elected Groton representation to the December 5th Mayor and Council Meeting and said he would forward that invite to the Groton Utilities Commission.

11. ACTION ITEMS

- A. GUC-WPCA 22-11-46** Consideration of and action to authorize Groton Utilities Management to retain the lobbying services of Medici, LLC, One Gold Street, Unit #27J, Hartford, Connecticut for lobbying services pertaining to electric, water, wastewater and any other utility matters as necessary in an amount not to exceed One Hundred Eight Thousand Dollars and No Cents (\$108,000.00) to be paid from the Professional Services – Lobbying account in the approved Fiscal Year 2022-2023 and proposed FY 2023-2024 Utilities Department budgets, and that the Director of Utilities be authorized to execute, and furthermore that the City Council be apprised of this action with the recommendation that it concur

Commissioner Zuliani moved, **Commissioner Scully** seconded that the Groton Utilities Commission / Water Pollution Control Authority approve Action Item GUC-WPCA 22-11-46.

Commissioner Zuliani asked if this item is budgeted. Director Gaudet confirmed and indicated the price has not changed for some time.

Motion carried.

- B. GUC-WPCA 22-11-47** Consideration of and action to authorize Groton Utilities Management to purchase annual maintenance and support of the NorthStar billing system and add-on modules from Harris Computer Systems, Inc., 62133 Collections Center Drive, Chicago, Illinois, a sole source

provider, for Groton Utilities Electric, Water, Wastewater utility billing and Bozrah Light and Power Company Electric utility billing for an amount not to exceed Seventy Nine Thousand Two Hundred Seventy Three Dollars and Forty One Cents (\$79,273.41) to be paid from available funds in the approved Fiscal Year 2023 Customer Service budget, and furthermore that the City Council be apprised of this action with the recommendation that it concur

Commissioner Godley moved, **Commissioner Scully** seconded that the Groton Utilities Commission / Water Pollution Control Authority approve Action Item GUC-WPCA 22-11-47.

Motion carried.

- C. GUC-WPCA 22-11-48** Consideration of and action to authorize Groton Utilities Management to issue a purchase order to Phasor Engineering Services, 14 Industrial Park Place, Middletown, Connecticut, a preferred vendor, for an amount not to exceed One Hundred Fifty Eight Thousand One Hundred Seventy Eight Dollars and No Cents (\$158,178.00) including a twenty percent (20%) contingency, to perform equipment testing for the Buddington Substation Upgrade project to be paid from Transmission Lines 1410/1280/400/Buddington Substation Bond Fund Project, and furthermore that the City Council be apprised of this action with the recommendation that it concur

Commissioner Godley moved, **Commissioner Scully** seconded that the Groton Utilities Commission / Water Pollution Control Authority approve Action Item GUC-WPCA 22-11-48.

Director Gaudet informed the Commission that with the rebuilding of Buddington Substation, all of the new relays and controls that are being installed need to be tested to ensure the safety features and settings all work correctly.

Motion carried.

Commissioner Godley said that in the last CMEEC meeting, there was discussion of the municipalities joining together to purchase bulk needed equipment e.g. transformers to gain large buying power allowing for the best price. He asked if there is a way Groton Utilities could group purchasing. The Commission discussed and agreed it would be beneficial, although it could be complicated. Director Gaudet said that not all of the companies that the utility could partner with use the same exact equipment because of the difference in system voltage. General Manager Biron said the same topic has been discussed at the NEPPA level, but again that varying voltages will take a lot of effort to figure out. Chairperson Hedrick said it is important to focus on similarities and not differences, things like poles and cross-arms are used across the different utility companies. Chairperson Hedrick said it is a conversation that should be continued.

12. ADJOURNMENT

There being no further business, at 11:49 a.m., **Commissioner Godley** moved, **Commissioner Scully** seconded a motion to adjourn.

Motion carried.

Attest:

Keith Hedrick
Chairperson